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ANNUAL REPORT AND FINANCIAL STATEMENTS

2019

BRISCOE

R.T. BRISCOE (NIGERIA) PLC
RC 1482

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RESULTS AT A GLANCE

For the year ended 31 December 2019

	2019 N'000	2018 N'000	Variance %
Turnover	6,939,393	5,182,459	34
Loss before taxation	(1,239,861)	(2,168,845)	43
Taxation	(36,794)	(19,921)	(85)
Loss after taxation	(1,276,655)	(2,188,766)	42
Total comprehensive income for the year after tax	(1,276,655)	(2,188,766)	42
Total equities and liabilities	8,914,997	7,726,285	15
Equities attributed to the owners of the company	(9,483,397)	(8,196,074)	(16)

Per 50K share data:

Based on 1,176,353,605 (2018 - 1,176,368,421)

Ordinary shares of 50K each: Basic Loss Per Share (Kobo)	(109)	(186)	42
Market price per share as at 31 December (N)	0.21	0.38	
Market Capitalization as at 31 December (N)	247,034	447,020	
Number of Employees (Group)	215	218	(1)

CORPORATE INFORMATION

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

BACKGROUND

R.T. Briscoe (Nigeria) PLC ("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 products until the mutual termination of the dealership agreement by both parties. The marketing, sales and servicing of Ford vehicles was conducted under the trade name – BriscoeFord.

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

BUSINESS ACTIVITIES

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

The Briscoe Industrial Equipment Division of the Company handles the sales and services of industrial, mining, construction and warehouse equipment as well as generating sets. The division markets and services Toyota, BT & Raymond brands of forklift and other material handling equipments. The Elgi brand of compressors are currently being marketed through CAV/ 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 project management and property marketing services to its vast clientele

DIRECTORS



■ **SIR SUNDAY NNAMDI NWOSU**, Kss, GCOA, MloD
Acting Chairman

Sir Sunday Nnamdi Nwosu is the Acting Chairman of the Company. A well-known Apostle of good corporate governance, he is the Founder and erstwhile National Coordinator of the Independent Shareholders Association of Nigeria. He is a member of the SEC Capital Market Development Company and the Institute of Directors. Sir Nwosu is an astute investor in a sizeable number of quoted companies on the Nigeria Stock Exchange and serves on the Board or Audit Committee of some of them. He is a Director of Nigeria Aviation Handling Company PLC, MRS Oil Nigeria PLC and Kajola Integrated Investment PLC. He is also a member of the statutory Audit Committees of Julius Berger

PLC, Trust Funds PLC, FrieslandCampina WAMCO Nigeria PLC and Seplat Petroleum Development Company PLC. Sir Nwosu was appointed to the Board of R.T. Briscoe on March 27, 2014 and as acting Chairman on April 27, 2017. Prior to his appointment as Chairman, he had served as Chairman of the Board's Finance & Risks Management Committee and as a member of the Governance and Business Strategy Committees of the company.



■ **MR. BUKOLA OLUSEYI ONAJIDE**
Managing Director

Oluseyi Onajide started his professional career as an intern with Deloitte Haskins & Sells, an international firm of Chartered Accountants, and qualified as a Chartered Accountant in 1989. Subsequently, He obtained a Masters Degree in Business Administration from the University of Lagos (1998) and now a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). He has attended many management courses locally and internationally, including the prestigious Lagos Business School and famous INSEAD, France. Prior to his joining Briscoe in 1998, he had worked with SCOA Nigeria PLC (1990-1993 and 1994-1996) where he became the AGM Finance and subsequently as a

Management Consultant to Alchem Industries Limited (1996-1997) and Management Development Associates (1998). He was employed by R.T. Briscoe on the 1st of July 1998, appointed Finance Director in December 2004, Executive Director in charge of the motor business in January 2006. In April 2008, he was appointed the Deputy Managing Director, Managing Director – Designate in July 2009 and became the Managing Director in January 2010.

DIRECTORS



■ MR. AKIN AJAYI

Akin Ajayi graduated from the University of Ife (now Obafemi Awolowo University), Ile-Ife in 1984 with a Bachelor of Science (B.Sc) degree in Economics. He is a Fellow of the Institute of Chartered Accountants of Nigeria and a seasoned banker with a wealth of over 20 years experience. He has also attended several short term courses at prestigious business schools which include the International Management Development Institute (IMD), Switzerland in 1993, Lagos Business School (LBS) in 1995, The Cranfield University, UK in 2001, The Gordon Institute of Business Science (GIBBS), University of Pretoria, South Africa in 2004 and Columbia

University, USA in 2006. Mr. Ajayi worked as an Officer in the Controls/Audit department of First City Merchant Bank Limited from 1988 to 1990. He was the Managing Director of Equity Bank Ltd from 2003 to 2005 before its merger with Intercontinental Bank Plc in 2005 where he served as Executive Director from 2005 till his retirement from the Bank in 2008. He is currently the Chairman/Chief Executive Officer of Libra Energy Services Ltd and also serves on the boards of other private and public Companies including a Non-Government Organisation. Mr. Ajayi was appointed a director of the Company in July 2009. He is the Chairman of the Company's Audit Committee as well as the Board's Business Strategy Committee, and member of the Finance and Risks Management Committee.



■ MS. ADEOLA ADENIKE ADE-OJO

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



■ DR. ADEWALE OLAWOYIN, SAN

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 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 Governance Committee and member of the Business Strategy Committee. He is also a member of the Company's Statutory Audit Committee.

DIRECTORS



ALHAJI ALI SAFIYANU MADUGU, mni

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



MRS. FOLASADE OLUWATOYIN OGUNDE

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. 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 and is the Chairman of the Board's Finance and Risks Management Committee. She is also a member of the the Business Strategy Committee.



MRS. ADEREMI O. AKINSETE-CHIDI

Aderemi 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 18, FATAI ATERE V/AY, MATORI, LAGOS STATE on THURSDAY, 26TH NOVEMBER, 2020 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, 2019 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. To authorize the company to procure goods and services necessary for its operations from related companies

Lagos, Nigeria.
August 4, 2020

By Order of the Board



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

Financial Statements

The Audited Financial Statements of the Company for the year ended 31st December 2019 and list of unclaimed dividends are available at our website at www.rtbriscoe.com as well as at the website of our Registrars at www.meristemregistrars.com. Hard copies would be provided on request.

Attendance at the AGM

Due to the COVID-19 pandemic and the attendant regulatory directives, the attendance by shareholders would only be by proxies. A proxy form is included with this notice. Proxy forms are available at our website and that of our Registrars. Members are required to appoint a proxy to represent them from the following proxies – 1. Sir Sunday Nnamdi Nwosu (Chairman) 2. Mr. Bukola Oluseyi Onajide (Group Managing Director) 3. Mr. Akin Ajayi (Non-Executive Director) 4. Dr. Adewale Olawoyin, SAN (Non-Executive Director) 5. Alhaji Ali Safiyanu Madugu, mni (Independent Director) 6. Mr. Adeniyi A. Adebisi (Shareholder's Representative on the Audit Committee) 7. Mr. Matthew Akinlade (Minority Shareholder) 8. Dr. Anthony Omojola

Proxies

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

Audit Committee

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

Closure of Register

The Register of members will be closed from Monday, November 2 to Friday, November 6, 2020 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 13th of November, 2020 at briscoemail.com or meristemregistrars.com.

CHAIRMAN'S STATEMENT

GENERAL

It is my privilege and pleasure to welcome you to the Annual General Meeting of our Company for the 2019 financial year and also thank you for your continued support to the Board in our collective task to reposition our Company.

BUSINESS ENVIRONMENT

The 2019 financial year was quite an eventful one for our Company and the Nigerian economy. The elections in February 2019 were fairly peaceful and President Muhammadu Buhari was re-elected for another term of four years. The GDP reportedly grew by 2.27% in 2019 mainly driven by the oil sector. The Naira enjoyed relative stability for the first half of the year due to rising crude oil prices and the steady rise in the foreign reserves which stood at \$45.2 billion at the end of June 2019. However, with the sharp decline in oil prices and exit of Foreign Portfolio Investors from the fixed income market, the foreign reserves commenced a steady decline in July 2019. Inflation also took an upward swing due to the elections in February and closure of the national borders in August to curb smuggling. On a positive note, the closure of the land borders led to a dramatic increase in the revenue of the Nigerian Customs Service at the ports. After months of initial hesitation, the Nigerian government eventually signed the African Continental Free Trade Agreement in July 2019 thereby joining 53 other African countries in the aim to reduce barriers to trade and commercial activities across the continent. Ironically, a month later, Nigeria closed its land borders to the movement of goods with its neighbours. The nationwide infrastructure deficit had a negative impact on business activities. The poor state of the roads and inadequate epileptic power supply has continued to inhibit business activities and push up operating costs. Congestion at the Apapa ports including the poor state of the access routes have escalated the landed costs of goods imported by sea.

RESULTS

The performances of the Group and the Company for the 2019 financial year were remarkable improvements over that of the previous year, though the eventual results were both losses due to the heavy financial obligations to the banks. The revenues of the group and company increased by 25% and 27% respectively from N5.2 billion and N4.6 billion in 2018 to N6.9 billion and N6.3 billion in 2019. The loss for the year sustained by the group reduced by about 72% from N2.2 billion in 2018 to N1.3 billion in 2019. The finance costs of the group dropped considerably from N2.3 billion in 2018 to N1.4 billion in 2019.

THE CURRENT FINANCIAL POSITION OF OUR COMPANY

Mid January 2020, the Board was notified of the appointment of a Receiver by the Assets Management Corporation of Nigeria ("AMCON") in respect of our financial obligations to Polaris Bank which had been taken over by AMCON. Though initially, a cause for concern, subsequent events have shown the appointment to be a positive development in view of the positive approach the Receiver, Dele Oye Esq., has adopted in performing his duties. This includes preserving the assets of the company critical for its business activities, retaining the Board and Management in place for a continuation of the business operations and, recognizing all existing contractual obligations. He has also taken steps, currently ongoing, to engage the other creditor banks towards streamlining existing claims and formulating a unified restructured payment plan, which would inevitably lead to an amicable resolution of the winding-up petition and other debt related matters in Court. The proceedings of the current cases in Court have been stalled due to the Corona Virus pandemic protocols and restriction.

It would be recalled that at the last Annual General Meeting, I informed the meeting of the plans to address the company's capital deficiency through a Special Money Market Fund. Our

The revenues of the group and company increased by 25% and 27% respectively from N5.2 billion and N4.6 billion in 2018 to N6.9 billion and N6.3 billion in 2019. The loss for the year sustained by the group reduced by about 72% from N2.2 billion in 2018 to N1.3 billion in 2019. The finance costs of the group dropped considerably from N2.3 billion in 2018 to N1.4 billion in 2019.

CHAIRMAN'S STATEMENT

financial Advisers, Messrs. Dunn Loren Merrifield have submitted an application on our behalf to the Securities & Exchange Commission and are currently awaiting the regulatory approval for the offer to go public. It is proposed that the proceeds from the scheme would be utilised to defray the indebtedness to our creditors, redress the existing shortfall in our working capital requirements including meeting our urgent needs for business growth and expansion.

I want to assure you that our company's operations remain profitable and viable, and we continue to fully discharge our business obligations to our customers and business partners. Our results for the first and second half of 2020, which have since been released to the public, indicated a trend of consistent improvement in revenue and operating profit with understandable deviations during the lock down period for the Corona virus pandemic in March and April as well as the resultant restrictions on business activities. Indeed our Board and Management are determined more than ever before, to work assiduously and strategically to navigate the company out of its present financial challenges, and ultimately to restore it back to financial prosperity.

CORPORATE GOVERNANCE

Your Board held a total of eight meetings in 2019 for enhanced and collective focus on the activities and challenges confronting the Company. The increased frequency of Board meetings led to fewer meetings of the Board Committees, as matters that would ordinarily have been handled by the Committees were dealt with by the entire Board. In the circumstance, there was no need for a meeting of the Business Strategy Committee while the Finance and Risk Management and Governance Committees held a total of three meetings.

The Board commenced the early application of the 2018 National Code of Corporate Governance last year, and the application of the code has been reported in our Annual Report for the 2019 financial year.

Towards strengthening its performance, an internal evaluation of the Board and its individual Directors was conducted for the 2019 financial year. The useful lessons garnered from this very candid exercise has been of tremendous value to all Board members and strengthened our company's corporate governance framework. As an outcome of this exercise, your Board decided to recommend the re-election of Dr. Adewale Olawoyin, SAN despite his poor attendance record at meetings during the year for understandable reasons which he confided in the Board and I cannot make public because they are of a highly private nature. His attendance record is incidentally a paradox of life, as Dr. Olawoyin has been actively involved in providing legal advice and support to the Board on the Court cases in which the Company is involved and, has also continuously availed the Governance Committee of which he is Chairman, including our Human Resources Department, of his professional support. The personal evaluations of Dr. Olawoyin and the other two Directors due for re-election, Mrs. Folasade Ogunde and my humble self, Sir Sunday Nwosu confirmed satisfactory performances on our parts. The parameters on which Directors were evaluated included our respective contributions towards corporate leadership and stewardship, achievement of corporate objectives, understanding of strategic plans and key issues, communication of expectations and concerns clearly, promotion of corporate interests externally, interpersonal relations with other Directors and Management, preparation and attendance at meetings, and our attitudes towards unethical and corrupt practices.

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

Our 2019 year-end accounts had to be referred to the Financial Reporting Council of Nigeria for regulatory review because of the presence of an Emphasis of Matter paragraph in the Audit Opinion about the material uncertainty of the going concern status

The future of our company lies in its ability to reposition itself and chart a differentiating course in the very competitive auto industry which currently accounts for about 70% of our business activities. We are currently also focusing upon and developing our technical and real estate businesses which have shown promising prospects over the years

CHAIRMAN'S STATEMENT

of the Company. The Board is of the firm view that its continued affirmation of the going concern status of the company is justified by the modest improvements in revenue and operating profit recorded by the company in the 2019 year-end results, and which continued into 2020 until the impact of the COVID-19 induced lockdown set in.

FUTURE BUSINESS PROSPECTS

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

I wish we all have a pleasant AGM.

Lagos, Nigeria
October 10, 2020

Sir Sunday Nnamdi Nwosu KSS, GCOA, MIOD
ACTING CHAIRMAN



DIRECTORS' REPORT

For the year ended 31 December 2019

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 2019.

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 are the sale and service of Toyota motor vehicles, technical equipment, including forklifts, industrial compressors, mining and drilling equipment and generating sets. The following is a summary of the principal activities of the subsidiaries of the Company:

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

The financial results of these subsidiaries have been consolidated in these financial statements.

Operating Results

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

	Group		Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Revenue	6,939,393	5,182,459	6,261,101	4,594,287
Results from operating activities	194,994	100,276	135,629	69,008
Net finance costs	(1,434,855)	(2,294,456)	(1,397,342)	(2,259,428)
Loss before income tax	(1,239,861)	(2,168,845)	(1,261,713)	(2,165,085)
Loss for the year	(1,276,655)	(2,188,766)	(1,293,587)	(2,176,881)
Total comprehensive income for the year	(1,287,323)	(2,209,634)	(1,304,255)	(2,197,749)
Retained earnings, end of year	(13,346,214)	(12,058,891)	(13,770,930)	(12,466,675)

Directors and their interests

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

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

For the year ended 31 December 2019

Direct Interest:	Ordinary Shares of 50k each as at 31 December		Approval Date of Accounts 26 March 2019
	2019	2018	
Sir Sunday Nnamdi Nwosu (Acting Chairman)	10,873	10,873	10,873
Mr. Bukola Oluseyi Onajide (Managing Director)	648,000	648,000	648,000
Mr. Olorunfemi Abidemi Eguakhide (Executive Director)	-	-	-
Ms. Adeola Adenike Ade Ojo	-	-	-
Dr. Adewale Olawoyin, SAN	-	-	-
Mr. Akin Ajayi	50,000	50,000	50,000
Alhaji Ali Safiyahu Madugu, mni	-	-	-
Mrs. Folasade Oluwatoyin Ogunde	-	-	-

Indirect Interest:

Ms. Adeola Adenike Ade Ojo (through Classic Motors)	97,200,000	97,200,000	97,200,000
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Alternate Director

Mrs. Aderemi Oluwatosin Akinsete-Chidi served as alternate to Ms. Adeola Ade Ojo during the year ended 31 December 2019.

Directors' interest in contracts

In accordance with section 277 of the Companies and Allied Matters Act, 1990 none of the Directors has notified the Company of any declarable interests in contracts with the Company.

Re-election of directors

In accordance with Section 259 of the Companies and Allied Matters Act, 1990, Sir. Sunday Nnamdi Nwosu, Dr. Adewale Olawoyin and Mrs. Folasade Ogunde retire by rotation and being eligible offer themselves for re-election.

Independent Non-Executive Directors

Two Independent Non-Executive Directors namely Sir Sunday Nnamdi Nwosu and Alhaji Ali Safiyahu Madugu, mni served on the Board of the company during the year ended 31 December 2019. The independence of these Directors were ascertained in accordance with the provisions of the Nigerian Code of Corporate Governance 2018 which requires the Board to annually ascertain and confirm the continued independence of each Independent Non- Executive Director of the company.

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

Diversity on the Board

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

DIRECTORS' REPORT

For the year ended 31 December 2019

Frequency of Meetings

The table below shows the frequency of meetings of the Board of Directors, Board Committees, and members' attendance at these meetings, during the year ended 31 December 2019.

	Board of Directors	Audit Committee	Business Strategy Committee	Finance & Risks Management Committee	Governance Committee
Number of Meetings held	8	4	-	2	1
Sir S.N. Nwosu KSS, GCOA, MloD	8	N/A	N/A	N/A	N/A
Mr. B.O. Onajide	8	N/A	-	2	N/A
Mr. O.A. Eguaihide*	4	N/A	N/A	N/A	N/A
Ms. A.A. Ade Ojo8	N/A	N/A	2	1	
Mr. Akin Ajayi	6	4	-	2	N/A
Dr. Adewale Olawoyin, SAN	2	3	-	N/A	1
Alhaji A.S Madugu, mnl	6	3	-	N/A	-
Mrs. Folasade Ogunde	6	N/A	-	2	N/A

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

* Appointed as Director with effect from September 1, 2019 and attended all meetings held since his appointment.

The table below shows the dates that the meetings of the Board of Directors, Board Committees and the statutory Audit Committee of the company were held during the year ended 31 December 2019.

Dates of meetings				
Board of Directors	Audit Committee	Business Strategy Committee	Finance & Risks Management Committee	Governance Committee
13.03.2019	13.03.2019	Nil	23.10.2019	10.10.2019
25.04.2019	18.03.2019	-	05.12.2019	-
04.07.2019	04.07.2019	-	-	-
30.07.2019	11.12.2019	-	-	-
24.10.2019				
28.11.2019	-	-	-	-
28.11.2019	-	-	-	-
12.12.2019	-	-	-	-

A joint meeting of the Board and the Audit Committee was held on March 13, 2019. The Board held pre- and post- Annual General Meetings on November 28, 2019.

Beneficial ownership

According to the Register of Members as at 31 December 2019, the following shareholders held more than 5% of the issued share capital of the Company.

DIRECTORS' REPORT

For the year ended 31 December 2019

	Number of Ordinary Shares of 50k each			
	2019	2019	2018	2018
		%		%
Mikeade Investment Limited	339,931,724	28.90	339,931,724	28.90
Classic Motors Limited	97,200,000	8.26	97,200,000	8.26
Nigerian public	739,220,332	62.84	739,220,332	62.84
	1,176,352,056	100.00	1,176,352,056	100.00

The analysis of distribution of shares of the Company as at 31 December 2019 was as follows:

Shareholding between:	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
1-100	691	1.59	39,764	0.00
101-500	2,772	6.39	820,680	0.07
501-1000	7,776	17.92	7,047,161	0.60
1001-2500	11,049	25.46	19,345,065	1.64
2,501-5,000	6,720	15.49	22,890,496	1.95
5,001-7,500	2,329	5.37	14,259,161	1.21
7,501-10,000	6,112	14.09	48,351,892	4.11
10,001-100,000	5,233	12.06	136,241,583	11.58
100,001-1,000,000	635	1.46	161,898,324	13.76
100,001 and above	74	0.17	765,457,930	65.07
	43,391	100	1,176,352,056	100

Free Float

The free float of the company is in full compliance with the minimum free float requirements of the Nigerian Stock Exchange for the Main Board. The free float analysis of the issued and paid-up share capital of the company as at December 31, 2019 and 4 August 2020 when the consolidated financial statements for the year ended 31st December, 2019 were approved is as follows:

	No. of ordinary shares held as at 4 August 2020	% of ordinary shares held as at 4 August 2020	No. of ordinary shares held as at 31 December 2019	% of ordinary shares held as at 31 December 2019	% of ordinary shares held as at 31 December 2018
Strategic Shareholding	487,516,737	41.4	487,516,737	41.4	41.4
Director's Direct Shareholding	708,873	0.1	708,873	0.1	0.1
Staff Schemes	13,255,923	1.1	13,255,923	1.1	1.1
Free Float	674,870,523	57.4	674,870,523	57.4	57.4
Total	1,176,352,056	100	1,176,352,056	100	100

Donations

The Group donated N1,600,000 (2018: N3,240,000) to the following charitable institutions during the year: Port-Harcourt Youth Association -N600,000

Nigeria Armed Forces Resettlement - N1,000,000

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.

DIRECTORS' REPORT

For the year ended 31 December 2019

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, 2018 that have not been adequately provided for or disclosed in these financial statements. Refer to Note 36

Distributors

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

Suppliers

The Company's significant suppliers are Toyota Nigeria Limited, Toyota Material Handling International NV Mining AB, Sweden and ELGi Equipment Ltd, India.

Acquisition of Company's own shares

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

Share Capital history

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

Year	Authorised Share Capital Issued and Fully Paid Up				Consideration
	Increase '000	Cumulative '000	Increase N'000	Cumulative N'000	
1957	-	200	200	200	Cash
					Increase in
					authorised
1963	200	400	-	200	share capital
1964	-	400	200	400	Bonus
					Increase in
					authorised
1972	1,600	2,000	-	400	share capital
1973	-	2,000	800	1,200	Bonus
1974	-	2,000	800	2,000	Cash
1975	4,000	6,000	2,000	4,000	Bonus
1976	4,000	10,000	6,000	10,000	Bonus
1977	10,000	20,000	5,000	15,000	Bonus
1980	-	20,000	5,000	20,000	Bonus
1981	10,000	30,000	5,000	25,000	Bonus
1992	-	30,000	5,000	30,000	Bonus
					Increase in
					authorised
1993	20,000	50,000	-	30,000	share capital
1997	50,000	100,000	30,000	60,000	Rights Issue
2003	-	100,000	15,000	75,000	Bonus
2004	200,000	300,000	18,750	93,750	Bonus
2004	-	300,000	62,500	156,250	Rights Issue
2004	-	300,000	25,285	181,535	Public Offer

DIRECTORS' REPORT

For the year ended 31 December 2019

Year	Authorised Share Capital Issued and Fully Paid Up				Consideration
	Increase '000	Cumulative '000	Increase N'000	Cumulative N'000	
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 17 to the financial statements.

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 (Chairman)
Mr. Kenneth Nnabike Nwosu
Alhaji Ali Safiyanu Madugu, mni
Dr. Adewale Olawoyin, SAN
Mr. Adeniyi Araunsi Adebisi
Mr. Anthony Kanayo Katchy

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

DIRECTORS' REPORT

For the year ended 31 December 2019

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.

Committee	Membership	Status
Business Strategy	Akin Ajayi B. O. Onajide Dr. A. Olawoyin Alhaji A. S. Madugu Mrs. F. O. Ogunde	Chairman Member Member Member Member
Governance	Dr. A. Olawoyin Ms. A. A. Ade-Ojo Alhaji A.S. Madugu	Chairman Member Member
Finance & Risks Management	Mrs. F. O. Ogunde B.O. Onajide Akin Ajayi Ms. A. A. Ade Ojo	Chairman 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. The company has also commenced the early application of the Nigerian Code of Corporate Governance 2018.

Complaints Management Framework

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

Whistle Blowing Policy

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

Chairman, Cooperate Governance Committee	- wolawoyin@olawoyin.com
Chairman, Audit Committee	- akinajayi1@yahoo.com
Chairman, Finance and Risk Management Committee	- sadeogunde@yahoo.com

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

08056232586	-	(Chairman, Governance Committee)
08023037318	-	(Chairman, Audit Committee)
09092154179	-	(Chairman, Finance & Risks Management Committee)

DIRECTORS' REPORT

For the year ended 31 December 2019

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

Securities Trading Policy

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

Independent Auditors

The Auditors, Messrs. PKF Professional Services have indicated their willingness to continue in office as the Company's auditor in accordance with section 357 (2) of the Companies and Allied Matters Act CAP C20 LFN 2004. A resolution will be proposed authorising the Directors to fix their remuneration.

BY ORDER OF THE BOARD



Olukayode Adeoluwa

Olukayode Adeoluwa & Co.

(FRC/2013/NBA/00000002108)

Company Secretary

18, Fatai Atere Way, Matori
Lagos, Nigeria

Dated: 4 August 2020



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

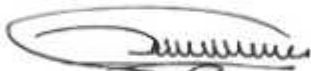
For the year ended 31 December 2019

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, Cap C.20, Laws of the Federation of Nigeria, 2004 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, Cap C.20, Laws of the Federation of Nigeria, 2004 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 for at least twelve months from the date of this statement.

Signed on behalf of the board of directors by:



Sir Sunday N. Nwosu (Acting Chairman)
FRC/2014/IODN/00000006788

Dated: 4 August 2020



Mr. Oluseyi Onajide
FRC/2013/ICAN/00000002194

Dated: 4 August 2020

REPORT OF THE AUDIT COMMITTEE

For the year ended 31 December 2019

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 as well as the Financial Reporting Council of Nigeria, 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 confirm that the Company has an adequately resourced independent internal audit unit which discharges its responsibilities effectively.
- v. We are satisfied from our deliberations and reports presented at meetings that Management is pursuing the Company's goals and objectives and is taking the necessary steps to preserve the status of the Company as a going concern, and also minimize the adverse impact of the outcomes of the Corona virus pandemic on the business activities and financial results of the company.
- vi. In the course of the financial year, R.T. Briscoe (Nigeria) PLC recorded significant business transactions with Toyota Nigeria Limited which is its main supplier of Toyota vehicles and the sole authorized distributor of Toyota vehicles in Nigeria by the manufacturers, the Toyota Motor Corporation of Japan. R.T. Briscoe has a de facto common shareholder with Toyota Nigeria Limited who has controlling interests in R.T. Briscoe and therefore an interested person.
- vii. We are satisfied that the methods or procedures for determining transaction prices between R.T. Briscoe (Nigeria) PLC and Toyota Nigeria Limited have not changed since the approval granted by shareholders at the last Annual General Meeting on 28 November, 2019; 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 4th day of August 2020



Mr. Akin Ajayi
FRC/2013/MULTI/00000004485
Chairman

Members:

Mr. Akin Ajayi
Dr. Adewale Olawoyin, SAN
Alhaji Ali Safiyanu Madugu, mni
Mr. Kenneth Nnabike Nwosu
Mr. Adeniyi Araunsi Adebisi
Mr. Anthony Kanayo Kachy

To the Shareholders of R.T. Briscoe (Nigeria) Plc**Report on the audit of the consolidated and separate financial statements****Opinion**

We have audited the consolidated and separate financial statements of R.T. Briscoe (Nigeria) Plc ("the Company") and its subsidiaries (together, "the group"), which comprise the consolidated and separate statements of financial position at 31 December 2019, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Company and its subsidiaries as at 31 December 2019, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) in compliance with Financial Reporting Council of Nigeria Act, No. 6, 2011 and with the requirements of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements section of our report. We are independent of the Group and 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 opinion.

Key audit matter

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

Key Audit Matter	
<p>a) Revenue recognition Revenue is an important measure and it impacts most of the key performance indicators on which the Company and its Directors are assessed. The significance makes revenue a matter of focus in our audit.</p> <p>Refer to significant accounting policies (Note 4.10) and revenue on (Note 8) of the financial statements.</p>	<p>We reviewed accounting policy for consistency and management's procedures in the recognition and recording of revenue;</p> <p>We evaluated the design and implementation and the operating effectiveness of internal controls over the approval of goods and services rendered;</p> <p>For sale of vehicle and services rendered to customers during the year, we compared, on a sample basis, postings into revenue ledger to appropriate basis such as delivery way bills acknowledged by customers;</p>

<p>Key Audit Matter</p>	<p>We performed data integrity check on revenue including the accuracy of a sample of journal entries relating to revenue and any significant/unusual entries;</p> <p>We assessed the postings in sales ledger subsequent to year end to understand the basis of any significant/unusual items;</p> <p>We tested whether revenue transactions occurring both prior and post the year end date were recognized in the correct period.</p>
<p>b) Borrowings Bank overdrafts at 31 December 2019 stood at N15 billion representing 86% of the total liabilities which is significant in the consolidated financial statements. The company has not been able to repay the bank overdraft and this has led to winding-up cases by the banks and other creditors. There are also issues on penalty charges by the banks. The significant in relation to inability to repay the borrowings which led to court litigations and also the going concern issues, makes it a key audit matter.</p>	<p>Reviewed pending legal winding-up cases against the company;</p> <p>Reviewed and ensure that accrued interest charges are not materially misstated;</p> <p>Reviewed bank overdrafts reconciliations noting outstanding reconciling items and how they were dealt with in the book;</p> <p>Obtained and reviewed independent confirmations of bank balances, including the bank overdrafts.</p> <p>Ensured adequate disclosures were made in respect of borrowings.</p>
<p>c) Impairment of trade receivables The Company is exposed to credit arising from the company trade receivables.</p> <p>The appropriateness of impairment calculation for long term over due credit which require significant management judgement, makes it a key audit matter.</p> <p>Trade and other receivables are significant to this company as they account for about 31% of the total assets value.</p> <p>Refer to significant accounting policies (Note 4.1), trade and other receivables (Note 22) of the consolidated financial statements.</p>	<p>We assessed and tested the design and operating effectiveness of the controls over impairment determination process.</p> <p>Key controls tested include the recoverability of the receivables that had been long overdue.</p>

c) Impairment of trade receivables contd.

The ECL model involves the application of considerable level of judgement and estimation in determining inputs which are derived from historical records obtained within and outside the Group into a complex financial model. The Group considered the following in determining the inputs for the ECL model:

The ECL model involves the application of considerable level of judgement and estimation in determining inputs which are derived from historical records obtained within and outside the Group into a complex financial model. The Group considered the following in determining the inputs for the ECL model:

- Determining criteria for assigning Probability of Default rates (PD Rates);
- Assessing the relationship between the quantitative factors such as default and qualitative factors such as macro-economic variables;
- The Group incorporates forward looking information in the model building process;
- Factors incorporated in determining the Probability of Default (PD);
- Factors considered in cash flow estimation including rate of recovery from customer.

Evaluated whether the model used to calculate the recoverable amount complied with the requirements of IFRS 9 and it is in agreement with our understanding of the business and the industry in which R.T. Briscoe operates.

Emphasis of matter

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 2.3 in the consolidated and separate financial statements which indicates that the Group and Company incurred losses before tax of N1.2 billion for the year ended 31 December 2019 (2018 : N2.2 billion) and as of that date, the Group's current liabilities exceeded its current assets by N14.8 billion (2018 : N13.4 billion) and the Company by N15.0 billion (2018 : N13.6 billion), while its total liabilities exceeded its total assets by N9.5 billion (2018 : N8.2 billion) and the Company by N9.9 billion (2018 : N8.6 billion). As a result of the losses incurred over the years, the shareholders' fund has been totally eroded to the tune of N9.5 billion and N9.9 billion deficit as at 31 December 2019 for the Group and Company respectively. These conditions, along with other matters set forth on the same Note 2.3, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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

- We reviewed all court cases against the Company in order to obtain reasonable assurance that no litigation threatens the going concern of the Company either by suppliers, government, customers employees aggrieved third parties or shareholder of the Company.

- We obtained assurance from management that significant accounting and reporting judgments are supported by a degree of rigor and analysis appropriate to the circumstances of the company.
- We checked adverse market conditions, trend and events and also performed other risk assessment procedures to identify any adverse events or conditions.
- We reviewed minute of board meetings held for all the quarters in the reporting period to assess any issues that could border on regulatory or legal challenges as it relates to the going concern of the Company.
- We asked management whether they have identified any events or conditions that may cast significant doubts on the company's ability to continue as a going concern.

Other Information

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

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appeared to be materially misstated.

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

Responsibilities of the Directors and Those Charged with Governance for the Consolidated and Separate Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

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

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

We also provide the 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 the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We 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.



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

Dated: 4 August 2020



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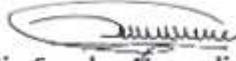
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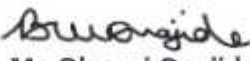
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 31 December 2019

	Notes	The Group		The Company	
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
Assets					
Non-current assets					
Property, plant and equipment	17	4,495,178	4,525,257	4,488,679	4,516,579
Investment property	25	347,175	350,845	-	-
Intangible assets	18	1,359	2,038	-	-
Other receivables	22	443,164	426,178	439,910	383,618
Investment in subsidiary	20	-	-	156,501	156,576
		5,286,876	5,304,318	5,085,090	5,056,773
Current assets					
Inventories	21	784,065	863,930	576,380	588,617
Trade and other receivables	22	2,543,645	958,159	2,589,726	1,040,184
Other financial assets	19	140,725	140,725	140,725	140,725
Other current assets	23	45,802	59,376	33,633	48,227
Cash and cash equivalents	24	113,884	399,777	50,439	232,058
		3,628,121	2,421,967	3,390,903	2,049,811
Total assets		8,914,997	7,726,285	8,475,993	7,106,584
Current liabilities					
Trade and other payables	31	2,547,202	1,471,972	2,561,291	1,289,150
Current tax payable	15.3	78,340	67,347	51,475	39,894
Bank overdraft	24	15,763,205	14,325,310	15,763,205	14,325,310
		18,388,747	15,864,629	18,375,971	15,654,354
Net current liabilities		(14,760,626)	(13,442,662)	(14,985,068)	(13,604,543)
Non-current liabilities					
Defined benefit plan	30	8,135	56,088	8,135	56,088
Deferred tax liability	15.4	1,512	1,642	-	-
Total non-current liabilities		9,647	57,730	8,135	56,088
Net liabilities		(9,483,397)	(8,196,074)	(9,908,113)	(8,603,858)
Equity					
Ordinary shares	26.2	588,177	588,177	588,177	588,177
Share premium	27	409,862	409,862	409,862	409,862
Revaluation reserves	28	2,864,778	2,864,778	2,864,778	2,864,778
Sustained loss	29	(13,346,214)	(12,058,891)	(13,770,930)	(12,466,675)
Equity attributable to equity holder of the parent		(9,483,397)	(8,196,074)	(9,908,113)	(8,603,858)
Total equity		(9,483,397)	(8,196,074)	(9,908,113)	(8,603,858)

These consolidated and separate financial statements were approved by the Board of Directors on 4 August 2020 and signed on its behalf by:


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


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


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

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

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

For the year ended 31 December 2019

	Notes	The Group		The Company	
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
Continuing operations					
Revenue	8	6,939,393	5,182,459	6,261,101	4,594,287
Cost of sales	9	(5,282,976)	(3,724,908)	(4,857,985)	(3,383,442)
Gross profit		1,656,417	1,457,551	1,403,116	1,210,845
Other income	10	168,207	153,817	140,302	144,316
Distribution costs	12.4	(359,395)	(258,676)	(348,692)	(247,799)
Administrative expenses	12.4	(1,270,235)	(1,252,416)	(1,059,097)	(1,038,354)
Operating profit		194,994	100,276	135,629	69,008
Finance income	13.1	13,481	16,122	55,038	51,150
Finance costs	13.2	(1,448,336)	(2,310,578)	(1,452,380)	(2,310,578)
Investment income	13.3	-	25,335	-	25,335
Loss before taxation		(1,239,861)	(2,168,845)	(1,261,713)	(2,165,085)
Income tax expense	15.1	(36,794)	(19,921)	(31,874)	(11,796)
Loss for the year from continuing operations		(1,276,655)	(2,188,766)	(1,293,587)	(2,176,881)
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement loss on defined benefit plans	30.3	(10,668)	(20,868)	(10,668)	(20,868)
Other comprehensive loss for the year		(10,668)	(20,868)	(10,668)	(20,868)
Total comprehensive loss for the year		(1,287,323)	(2,209,634)	(1,304,255)	(2,197,749)
Total loss attributable to:					
Equity holders of the parent		(1,276,655)	(2,188,766)	(1,293,587)	(2,176,881)
		(1,276,655)	(2,188,766)	(1,293,587)	(2,176,881)
Total comprehensive loss attributable to:					
Equity holders of the parent		(1,287,323)	(2,209,634)	(1,304,255)	(2,197,749)
Loss for the year		(1,287,323)	(2,209,634)	(1,304,255)	(2,197,749)
Loss per share from continuing operations:					
Basic/diluted loss per share (Naira)	16	(1.09)	(1.86)	(1.10)	(1.85)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Issued share capital N'000	Share premium N'000	Retained earnings N'000	Revaluation reserves N'000	Total N'000
Attributable to equity holders of the Group					
At 1 January 2018	588,177	409,862	(9,906,547)	2,864,778	(6,043,730)
Impact of IFRS 9 adoption	-	-	57,290	-	57,290
Restated opening balance under IFRS 9	588,177	409,862	(9,849,257)	2,864,778	(5,986,440)
Loss for the year	-	-	(2,188,766)	-	(2,188,766)
Other comprehensive loss	-	-	(20,868)	-	(20,868)
Total comprehensive loss	-	-	(2,209,634)	-	(2,209,634)
At 31 December 2018	588,177	409,862	(12,058,891)	2,864,778	(8,196,074)
At 1 January 2019	588,177	409,862	(12,058,891)	2,864,778	(8,196,074)
Loss for the year	-	-	(1,287,323)	-	(1,287,323)
Total comprehensive loss	-	-	(1,287,323)	-	(1,287,323)
At 31 December 2019	588,177	409,862	(13,346,214)	2,864,778	(9,483,397)

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

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Issued share capital N'000	Share premium N'000	Retained earnings N'000	Revaluation reserves N'000	Total equity N'000
Attributable to equity holders of the Company					
At 1 January 2018	588,177	409,862	(10,328,901)	2,864,778	(6,466,084)
Impact of IFRS 9 adoption	-	-	59,975	-	59,975
Restated opening balance under IFRS 9	588,177	409,862	(10,268,926)	2,864,778	(6,406,109)
Loss for the year	-	-	(2,176,881)	-	(2,176,881)
Other comprehensive income	-	-	(20,868)	-	(20,868)
Total comprehensive loss	-	-	(2,197,749)	-	(2,197,749)
At 31 December 2018	588,177	409,862	(12,466,675)	2,864,778	(8,603,858)
At 1 January 2019	588,177	409,862	(12,466,675)	2,864,778	(8,603,858)
Loss for the year	-	-	(1,304,255)	-	(1,304,255)
Total comprehensive loss	-	-	(1,304,255)	-	(1,304,255)
At 31 December 2019	588,177	409,862	(13,770,930)	2,864,778	(9,908,113)

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the year ended 31 December 2019

	Notes	The Group		The Company	
		2019 N'000	2018 N'000	2019 N'000	2018 N'000
Cash flows from operating activities					
Loss for the year		(1,276,655)	(2,188,766)	(1,293,587)	(2,176,881)
Adjustment for:					
Depreciation of property, plant and equipment	17	49,396	56,674	43,460	48,204
Interest income	13.1	(13,481)	(16,122)	(55,038)	(51,150)
Income from investment	13.3	-	(25,335)	-	(25,335)
Interest on loan	13.2	4,044	649	4,044	649
Foreign exchange gain	10	-	5,729	-	(7,712)
Adjustment to property, plant and equipment	17	-	1,222	-	2,329
Profit on disposal of property, plant and equipment	10	(510)	-	-	(948)
Employee benefit plan (write back)/charge	30	14,126	4,722	14,126	4,722
Amortisation of investment properties	25	3,670	4,777	-	-
Amortisation of intangible assets	18	679	1,237	-	-
Return on planned asset	30	(963)	-	(963)	-
Income tax	15	36,794	19,921	31,874	11,796
Changes in:					
Increase in inventories		(1,182,900)	(2,135,292)	(1,256,084)	(2,194,326)
Decrease in trade and other receivables*		79,865	60,059	12,237	264,766
Decrease in other receivables		(1,585,486)	(130,720)	(1,549,542)	(274,548)
Decrease in other receivables		(16,986)	(44,405)	(56,292)	(1,845)
Increase/(decrease) in other current assets		13,574	(9,933)	14,594	(4,356)
(Decrease)/increase in current borrowings		-	(4,598,261)	-	(4,598,261)
Increase/(decrease) in trade and other payables		1,075,227	(390,846)	1,272,141	(434,673)
Adjustment for other investment		-	(725)	-	(725)
Adjustment for investment in subsidiary		-	-	75	4,000
Transfer of property, plant and equipment		-	-	-	6,859
Cash used in operating activities		(1,616,706)	(7,250,123)	(1,562,871)	(7,233,109)
Movement in employee benefit plan	30	(6,784)	(9,567)	(6,784)	(9,567)
Income taxes paid	15.3	(25,928)	(20,101)	(20,293)	(10,245)
Net cash used in operating activities		(1,649,418)	(7,279,791)	(1,589,948)	(7,252,921)
Purchase of property plant and equipment	17	(20,859)	(37,993)	(15,560)	(37,496)
Income from investment		-	25,335	-	25,335
Proceeds from sale of property, plant and equipment		2,052	948	-	948
Net cash used in investing activities		(18,807)	(11,710)	(15,560)	(11,213)
Interest on loan	13.2	(4,044)	(649)	(4,044)	(649)
Interest income	13.1	13,481	16,122	55,038	51,150
Repayments of borrowing		-	-	-	-
Funding of long term employee benefits	30	(65,000)	-	(65,000)	-
Net cash used in financing activities		(55,563)	(84,226)	(14,006)	(49,198)
Effect of exchange rate changes on cash and cash equivalents		-	(752)	-	(642)
Net decrease in cash and cash equivalents		(1,723,788)	(7,376,479)	(1,619,514)	(7,313,974)
Cash and cash equivalents at 1 January		(13,924,585)	(6,548,106)	(14,093,252)	(6,779,278)
Cash and cash equivalents at 31 December	24	(15,648,373)	(13,924,585)	(15,712,766)	(14,093,252)

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. The reporting entity

1.1. Legal form

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

1.2. Principal activity

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

2. Basis of preparation

2.1. Statement of compliance with IFRSs

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

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

2.2. Basis of measurement

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

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

2.3. Going concern status

The Group and Company incurred losses before tax of N1.2 billion for the year ended 31 December 2019 (2018 : N2.2 billion) and as of that date, the Group's current liabilities exceeded its current assets by N14.8 billion (2018 : N13.4 billion) and the Company by N15.0 billion (2018 : N13.6 billion), while its total liabilities exceeded its total assets by N9.5 billion (2018 : N8.2 billion) and the Company by N9.9 billion (2018 : N8.6 billion). As a result of the losses incurred over the years, the shareholders' fund has been totally eroded to the tune of N9.4 billion and N9.9 billion deficit as at 31 December 2019 for the Group and Company respectively.

The loss for the year was mainly attributable to finance costs which remain high at N1.4 billion for both Group and Company (2018 : N2.3 billion for the Group and Company), as both group and Company achieved positive operating profits of N196 million and N136 million respectively during the year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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

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

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

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

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

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

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

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

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

Petition for appointment of Liquidator/Receiver

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

Status of the matter as of date

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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

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

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

On October 15, 2019, the matter again came up before the Federal High Court sitting at Ikoyi. At this sitting of the court, Diamond Bank informed the court of its intention to withdraw its application to discontinue the petition. The matter was subsequently adjourned till November 2019 for the hearing of all pending applications. The matter came up the in court on 28/11/2019 for hearing of all pending applications, Diamond Bank Nigeria Plc withdrew the aforesaid application to discontinue and subsequently moved the application for change of name from Diamond Bank to Access Bank.

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

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

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

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

These measures are as follows:

Business Restructuring: General restructuring of the Company's operations for greater efficiency and profitability, and positioning the Company and or its subsidiaries to attract potential investors. Following the restructuring exercise carried out in 2017, the group has recorded two consecutive years of reporting operational profits of N100.3 million and N196.3 million in 2018 and 2019 respectively. This modest results should be viewed in the light of the operational challenges that the company's various business units have had to overcome due to limited working capital. Our various businesses' results have shown that with the right level of operating capital, they can deliver satisfactory returns as they continue to thrive under harsh circumstances. It is also gratifying to note that our major suppliers, both local and foreign, have continued to reaffirm their confidence in the business prospects of our company through their staunch support. Despite the precarious position of the company, we still retain the dealership licenses of our Major Original Equipment suppliers – Toyota Nigeria Limited, Toyota Material Handling in Japan and Elgi Air Compressors in India which are the primary sources of our revenue earning potential and competitive advantage.

Recapitalisation: Actively exploring the raising of additional capital of N10billion pursuant to the approval by the shareholders at two separate AGMs in 2014 and subsequently in 2016, which authorized the Board to raise up to N10 billion by way of equity, debt capital or a combination of both to recapitalize the Company. To actualize this, the Directors retained the services of Lead Capital Plc as financial advisers, to identify potential investors and facilitate the recapitalization exercise. Also, Messrs. Dunn Loren Merrifield Advisory Partners (DLM) was in 2019 engaged by the Directors as Investment Advisers, with the mandate to assist in the recapitalization drive. DLM has developed and recommended a rather distinctive Recapitalization Scheme. The scheme involves the institution of a money market fund with a life span of about 12-18 months, where existing shareholders of the Company and other interested investors may subscribe to units of the offer by making single lump sum payment or commit to pay in instalments. A share conversion exercise involving the shares of the Company would subsequently be consummated after the termination of the fund. The draft prospectus for the Special Purpose Money Market Funds has been completed, approved by the Board and is about to be submitted to the Security and Exchange Commission for approval.

Forensic Examinations of Bank Facilities Accounts: Over the last two years, the management had engaged the services of different forensic experts to examine all the company's bank facilities accounts. The results of these forensic examinations have shown that rather than owing the banks the huge amounts being currently claimed by the banks against the company, the company should in fact have positive balances with some of these banks, as the huge liabilities claimed by the banks are mainly due to questionable excess and penal charges. The company is currently taking up this issue with the concerned banks under the arbitration of relevant regulators in the banking sector (CBN and Bankers Committee), while some are also being contested in courts. The Company is currently taking up this issue with the concerned banks under the arbitration of relevant regulators in the banking sector (CBN and Bankers Committee).

The Company continued to enjoy patronage from their major suppliers, both local and foreign and they have continued to reaffirm their confidence in the business

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

prospects of the company. Despite the current situation, RT Briscoe still retain the dealership licenses of their Major Original Equipment Suppliers (Toyota Nigeria Limited) Toyota Material Handling in Japan and Elgi Air Compressors in India which are the primary sources of the company's revenue earning potential and competitive advantage.

Subsequent to the planned recapitalisation, the Company intends to:

- Expand the non-auto business in order to achieve better sales margins.
- Diversify into other more profitable lines of businesses including the commencement of assembly of motor vehicles and generators.

- 2.3.4 The Directors believe that the above on-going actions and plans 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.

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

2.4. Use of estimates and judgements

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

2.5. Functional and presentational currency

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

3. Summary of Standards and Interpretations effective for the first time

3.1. Amendments effective from annual periods beginning on or after 1 January 2019

a. IFRS 16 'Leases'

Effective for an annual periods beginning on or after 1 January 2019.

- New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows;
- IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee;

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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- 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;
- IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk;
- IFRS 16 supersedes the following Standards and Interpretations:
 - a) IAS 17 Leases;
 - b) IFRIC 4 Determining whether an Arrangement contains a Lease;
 - c) SIC-15 Operating Leases—Incentives; and
 - d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

3.1.2 Interpretations Issued and Effective on or after 1 January 2019

a. IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation specifies how an entity should reflect the effects of uncertainties in accounting for income taxes.

3.1.3 Standards Issued and Effective on or after 1 January 2021

a. IFRS 17 Insurance Contracts

IFRS 17 creates one accounting model for all insurance contracts in all jurisdictions that apply IFRS.

This standard replaces IFRS 4 – Insurance contracts.

The key principles in IFRS 17 are that an entity:

- a. identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain, future event (the insured event) adversely affects the policyholder;
- b. separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- c. divides the contracts into groups it will recognise and measure;
- d. recognises and measures groups of insurance contracts at a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all the available information about the fulfilment cash flows in a way that is consistent with observable market information plus (if this value is a liability) or minus (if this value is an asset) an amount representing the unearned profit in the group of contracts (the contractual service margin);
- e. recognises the profit from a group of insurance contracts over the period the entity provides insurance coverage, and as the entity is released from risk, if a group of contracts is or becomes loss-making, an entity recognises the loss immediately;
- f. presents separately insurance revenue, insurance service expenses and insurance finance income or expenses;

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- g discloses information to enable users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of the entity. To do this, an entity discloses qualitative and quantitative information about:
 - the amounts recognised in its financial statements from insurance contracts;
 - the significant judgements, and changes in those judgements, made when applying the Standard; and
 - the nature and extent of the risks from contracts within the scope of this Standard.

3.1.4 Narrow Scope Amendments deferred until further notice

a) IFRS 10 Consolidated Financial Statements

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

b) IAS 28 Investments in Associates and Joint Ventures

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): Narrow scope amendment to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

4. Summary of significant accounting policies

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

4.1. Basis of consolidation

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

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

i) Business combinations

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

ii) Subsidiaries

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

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iii) Non-controlling interests (NCI)

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

iv) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

v) Transactions eliminated on consolidation

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

4.2 Foreign currency transactions

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

4.3 Share capital

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

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

4.4 Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

(iv) Revaluation of Property plant and equipment

With effect from 31 December 2014, the Group adopted the revaluation model for its land and building asset category of its property plant and equipment. After recognition, land and building whose fair value can be measured reliably shall be

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carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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

- If an asset's carrying amount is increased, the increase shall be recognised in other comprehensive income and accumulated in equity in "revaluation surplus". However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.
- If an asset's carrying amount is decreased, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.
- The effects of taxes on income, if any, resulting from the revaluation of property, plant and equipment are recognised and disclosed as appropriate.

4.5. Intangible assets 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.

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.

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The Company's intangible assets with finite useful lives comprise acquired computer software. The estimated useful lives for the current and comparative years is 5 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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

4.6 Inventories

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

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

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.

Construction work-in-progress represents accumulated cost of ongoing real estate projects and is measured using the cost model on the basis of a valuation by an independent valuer. Borrowing costs that are directly attributable to work-in-progress and other directly attributable expenditure are capitalised to work in progress when it is probable that they will result in future economic benefits on completion of the project. To the extent that loans and borrowings are specifically used for the purpose of the work in progress, the amount of borrowing costs eligible for capitalisation is determined as the borrowing costs incurred on the loans and borrowings (measured at amortised cost) during the year less any investment income on the temporary investment of those borrowings.

4.7 Financial instruments

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

4.7.1 Financial assets

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

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a) Financial assets at fair value through profit or loss

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

b) Financial assets at fair value through other comprehensive income

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

c) Financial assets carried at amortised cost

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

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

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

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

4.7.1.1 Impairment of financial assets

4.7.1.2 Overview of the ECL principles

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

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

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

4.7.1.3 Credit-impaired financial assets

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

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

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

- there is significant financial difficulty of a customer (potential bad debt indicator);
- there is a breach of contract, such as a default or delinquency in interest or principal payments;
- the Company, for economic or legal reasons relating to the Customer's financial difficulty, granting to the Customer a concession that the Company
- it becomes probable that a counterparty/Customer may enter bankruptcy or other financial reorganisation;
- there is the disappearance of an active market for a financial asset because of financial difficulties; or

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- observable data indicates that there is a measurable decrease in the estimated future cash flows from a Company of financial assets.
- the financial asset is 360 days and above past due.

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

4.7.1.4 Presentation of allowance for ECL

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

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

4.7.1.5 Write-off

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

4.7.2 Financial liabilities

4.7.2.1 Initial recognition and measurements

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

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

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

ii) Non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

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

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

4.8 Provisions and Contingent liabilities

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities

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

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

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

4.9 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.

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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.

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iii) Long Service Award

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

4.10 Revenue

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

i) Sale of goods

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

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

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

ii) Rendering of services

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

iii) Rental income

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

4.11 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.

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4.12 Statement of cash flows

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

4.13 Tax

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

i) Current tax

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

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

ii) Deferred tax

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

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

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

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

iii) Tax exposures

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

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For the year ended 31 December 2019

iv) Minimum taxation

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

4.14 Earnings per share

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

4.15 Segment reporting

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

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

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

4.16 Dividends

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

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

4.17 Leases

(i) Leased assets

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

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

4.18 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

5. Determination of fair values

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

a) Trade and other receivables

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

6. Financial risk management and Financial instruments

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

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

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

Risk management framework

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

a) Credit risk

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

Exposure to credit risk

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

	Group		Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Trade and other receivables*	2,543,645	958,159	2,589,726	1,040,184
Cash and bank balances	113,884	399,777	50,439	232,058
Other investments	140,725	140,725	140,725	140,725
	2,798,254	1,498,661	2,780,890	1,412,967

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

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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.

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

	Group		Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Trade receivables	2,890,836	1,518,227	2,543,548	1,200,393
Staff loans and advance	13,805	27,716	13,223	24,396
Amounts due from related parties	-	-	224,131	237,879
Other receivables	2,739,380	2,491,656	2,765,072	2,472,706
	5,644,021	4,037,599	5,545,974	3,935,374
The ageing of trade and other receivables at the reporting date was:				
Not past due	2,339,332	782,303	1,510,606	755,303
Past due 91-180 days	511,341	170,447	468,334	150,442
Past due 181-360 days	137,422	112,474	460,151	77,254
Past due above 360 days	2,655,926	2,972,375	3,106,883	2,952,375
	5,644,021	4,037,599	5,545,974	3,935,374
The movement in the allowance for impairment in respect of trade receivables during the year was as follows:				
At 1 January	2,653,262	2,681,894	2,511,572	2,681,894
Effect of IFRS 9 adoption	-	(57,291)	-	(59,975)
Provision no longer required	(12,322)	(92,379)	(12,322)	(86,492)
Addition in the year	56,154	121,038	55,773	71,145
Inter company transfer during the year	-	-	-	(95,000)
Balance at 31 December	2,697,094	2,653,262	2,555,023	2,511,572

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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 N141 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.

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.

	Note	Carrying amount N'000	Contractual cash flows N'000	1 year or less N'000	1 to 2 years N'000
Group					
31 December 2019					
Non-derivative financial liabilities					
Trade and other payables*	31	2,547,202	2,547,202	2,547,202	-
Bank overdrafts	25	15,763,205	15,763,205	15,763,205	-
		18,310,407	18,310,407	18,310,407	-
31 December 2018					
Non-derivative financial liabilities					
Trade and other payables*	31	1,471,972	1,471,972	1,471,972	-
Bank overdrafts	25	14,325,310	14,325,310	14,325,310	-
		15,797,282	15,797,282	15,797,282	-
Company					
31 December 2019					
Non-derivative financial liabilities					
Trade and other payables*	31	2,561,291	2,561,291	2,561,291	-
Bank overdrafts	25	15,763,205	15,763,205	15,763,205	-
		18,324,496	18,324,496	18,324,496	-

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31 December 2018

Non-derivative financial liabilities

Trade and other payables*	31	1,289,150	1,289,150	1,289,150	-
Bank overdrafts	25	14,325,310	14,325,310	14,325,310	-
		15,614,460	15,614,460	15,614,460	-

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

c) Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. There has been no change to the Group's exposure to market risks or the manner in which it 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 of quantitative data about the Company's exposure to currency risk as reported to the Management of the Company based on its risk management policy was as follows:

	31 December 2019				31 December 2018			
	Euro	USD	JPY	GBP	Euro	USD	JPY	GBP
Amounts in thousands								
Trade and other receivables	1	11	-	-	-	32	-	-
Cash and cash equivalents	4	7	4	2	2	8	4	2
Trade and other payables	(19)	(6)	-	-	(25)	(26)	-	-
Net exposure	(15)	11	4	2	(23)	14	4	2

The following significant exchange rates applied during the year:

Average rate	Year end spot rate		2019	2018
	2019	2018		
Euro	425	410	427	409
United States Dollars (USD)	372	368	365	363
GBP	473	482	478	458
JPY	2.5	2	2.8	2

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For the year ended 31 December 2019

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.

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	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Variable rate instruments				
Bank overdrafts	15,763,205	14,325,310	15,763,205	14,325,310
Fixed rate instruments				
Loans and borrowings	-	-	-	-

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.

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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	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Total liabilities	18,398,394	15,922,359	18,384,106	15,710,442
Less: Cash and cash equivalents	(113,884)	(399,777)	(50,439)	(232,058)
Net debt	18,284,510	15,522,582	18,333,667	15,478,384
Total equity	(9,483,397)	(8,196,074)	(9,908,113)	(8,603,858)
Debt to adjusted capital ratio	(2)	(2)	(2)	(2)

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

g) Accounting classification and fair values

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

	Carrying amount		
	Loans and receivables N'000	Other financial liabilities N'000	Total N'000
Group			
31 December 2019			
Financial assets not measured at fair value			
Trade and other receivables	2,543,645	-	2,543,645
Other financial assets	140,725	-	140,725
Cash and cash equivalents	113,884	-	113,884
	2,798,254	-	2,798,254
Financial liabilities not measured at fair value			
Trade and other payables	-	2,446,233	2,446,233
Bank overdrafts	-	15,763,205	15,763,205
Dividend payable	-	100,969	100,969
	-	18,310,407	18,310,407
31 December 2018			
Financial assets not measured at fair value			
Trade and other receivables	958,159	-	958,159
Other investments	140,725	-	140,725
Cash and cash equivalents	399,777	-	399,777
	1,498,661	-	1,498,661

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	Carrying amount		
	Loans and receivables N'000	Other financial liabilities N'000	Total N'000
Group contd.			
Financial liabilities not measured at fair value			
Trade and other payables	-	1,371,003	1,371,003
Bank overdrafts	-	14,325,310	14,325,310
Dividend payable	-	107,300	107,300
	-	15,803,613	15,803,613
Company			
31 December 2019			
Financial assets not measured at fair value			
Trade and other receivables	2,589,726	-	2,589,726
Other investments	140,725	-	140,725
Cash and cash equivalents	50,439	-	50,439
	2,780,890	-	2,780,890
Financial liabilities not measured at fair value			
Trade and other payables	-	2,460,322	2,460,322
Bank overdrafts*	-	15,763,205	15,763,205
Dividend payable	-	100,969	100,969
	-	18,324,496	18,324,496

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

Company			
31 December 2018			
Financial assets not measured at fair value			
Trade and other receivables	1,040,184	-	1,040,184
Other investments	140,725	-	140,725
Cash and cash equivalents	232,058	-	232,058
	1,412,967	-	1,412,967
Financial liabilities not measured at fair value			
Trade and other payables	-	1,181,850	1,181,850
Bank overdrafts	-	14,325,310	14,325,310
Dividend payable	-	107,300	107,300
	-	15,614,460	15,614,460

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

7. Segment Reporting

7.1. Basis of segmentation

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

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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.

Information about reportable segments

	Segment Revenue N'000	Cost of sales N'000	Gross profit N'000
Group			
31 December 2019			
Motor vehicles and accessories	4,763,874	(3,885,174)	878,700
Industrial equipment	785,962	(476,080)	309,882
Aftersales services and parts	1,110,160	(746,974)	363,186
Property development and facility management	286,801	(175,192)	111,609
Total	6,946,797	(5,283,420)	1,663,377
Group			
31 December 2018			
Motor vehicles and accessories	2,982,288	(2,409,016)	573,272
Industrial equipment	657,115	(379,802)	277,313
Aftersales services and parts	1,329,411	(823,014)	506,397
Property development and facility management	213,645	(113,076)	100,569
Total	5,182,459	(3,724,908)	1,457,551
Company			
31 December 2019			
Motor vehicles and accessories	4,763,874	(3,885,174)	878,700
Industrial equipment	422,863	(314,340)	108,523
Aftersales services and parts	1,074,364	(658,471)	415,893
	6,261,101	(4,857,985)	1,403,116
Company			
31 December 2018			
Motor vehicles and accessories	2,982,288	(2,409,016)	573,272
Industrial equipment	313,844	(228,996)	84,848
Aftersales services and parts	1,298,155	(745,430)	552,725
	4,594,287	(3,383,442)	1,210,845

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

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

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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.

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
8. Revenue				
Sales of goods	6,316,337	4,641,535	5,953,425	4,290,534
Rendering of services	336,254	327,279	307,676	303,753
Sale of property units	11,715	12,153	-	-
Rents from investment properties	22,487	23,500	-	-
Facilities Management fees	241,784	177,992	-	-
Project Management fees	10,816	-	-	-
	6,939,393	5,182,459	6,261,101	4,594,287
9. Cost of sales	5,282,976	3,724,908	4,857,985	3,383,442
10. Other income				
Rental Income	60,703	37,919	58,703	36,919
Insurance claim	8,727	539	2,023	-
Profit on disposal of property, plant and equipment	510	948	-	948
Provision no longer required	4,931	22,543	2,447	22,543
Scrap sales	-	100	-	100
Bad debts recovered	-	51,192	-	51,192
Withholding tax recovered	1,108	7,772	-	-
Gains on foreign exchange translations	-	8,697	-	8,612
Sundry other income (Note 10.1)	92,228	24,107	77,129	24,002
	168,207	153,817	140,302	144,316

10.1 This represent commission from direct purchases Ramond corporations, reversal of over provision for payables and others.

11. Selling and distribution expenses

Selling and distribution expenses	359,395	258,676	348,692	247,799
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11.1 This represent sales expenses, sales commission, advert in the media and exhibition and show.

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
12. Expenses by nature				
Salaries and employee related costs (Note 12.1)	543,754	524,736	460,331	445,599
Cost of motor vehicles, accessories and parts	5,282,976	3,724,908	4,857,985	3,383,442
Selling and distribution expenses	359,395	258,676	348,692	247,799
Meeting expenses	19,211	17,464	17,796	17,358
Audit fees	10,000	10,000	5,000	5,000
Legal and professional fees	149,301	68,256	127,201	47,495

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	The Group		The Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
12. Expenses by nature contd.				
Donations	1,600	3,240	1,600	1,355
Depreciation and amortisation	49,455	55,996	43,460	48,241
Director fees	1,155	950	950	950
Entertainment	6,012	12,213	2,699	10,558
Electricity, fuel and business premises	67,833	75,886	64,728	75,842
Foreign exchange loss	4,865	14,426	4,867	900
Insurance	31,546	48,062	24,889	38,565
Bank charges	7,909	5,785	6,171	4,529
Postages and stationeries	19,386	20,201	17,738	17,847
Impairment charge	25,288	89,242	7,203	71,145
Repairs and maintenance	74,217	86,110	69,815	79,062
Lease rental	58,777	43,659	39,114	26,181
Rate and taxes	9,350	7,236	8,933	7,236
Registrar fees	6,300	9,300	6,300	9,300
Internet and subscriptions	24,513	39,724	21,596	39,357
Security and cleaning	34,205	38,540	33,436	38,104
Telephone expenses	8,172	7,830	6,539	6,077
Transport and travelling Expenses	68,571	60,327	51,228	42,764
Subscriptions to Organisations	3,285	3,416	2,427	2,736
Other expenses (Note 12.2)	45,530	9,817	35,076	2,153
	6,912,606	5,236,000	6,265,774	4,669,595
12.1. Salaries and employee related costs include the following:				
Basic salary	109,286	102,483	93,569	88,172
Leave allowance	12,499	11,113	10,829	10,036
House allowance	61,303	58,180	57,462	54,565
Transport allowance	36,879	33,610	34,172	31,494
Meal subsidy	9,440	8,964	8,682	8,260
Staff Bonus & Incentives	2,125	24,582	-	18,174
Gratuity expense	15,439	8,582	14,139	7,614
Industrial Training Fund	3,596	3,126	3,321	2,891
Medical Expenses - Admin	108,748	75,656	92,950	64,914
Directors Remuneration (Note 34.2)	46,558	42,544	32,693	28,225
Other staff expenses (12.3)	137,881	155,896	112,514	131,254
	543,754	524,736	460,331	445,599

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

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
12.4. Expense by function				
Production cost	5,282,976	3,724,908	4,857,985	3,383,442
Selling and distribution expenses	359,395	258,676	348,692	247,799
Administrative expenses	1,270,235	1,252,416	1,059,097	1,038,354
	6,912,606	5,236,000	6,265,774	4,669,595
13. Finance income and finance cost				
13.1. Finance income				
Interest on bank deposits	11,514	15,543	55,038	51,150
Interest on commercial paper	1,967	579	-	-
Total Finance income	13,481	16,122	55,038	51,150
13.2. Finance costs				
Interest on bank overdrafts	(1,448,336)	(2,309,929)	(1,448,336)	(2,309,929)
Interest on loans	-	(649)	(4,044)	(649)
Total Finance cost	(1,448,336)	(2,310,578)	(1,452,380)	(2,310,578)
Net finance costs	(1,434,855)	(2,294,456)	(1,397,342)	(2,259,428)
Interest income represents income earned on bank deposits while interest expense represents charges on various outstanding facilities utilised during the year. Interest on inter-company loan has been eliminated on consolidation.				
13.3. Investment income	-	25,335	-	25,335
Investment income represents income on Farapark investment				
14. Loss before income tax				
Loss before income tax is stated after charging/(crediting) the following items:				
Depreciation of property, plant and equipment (Note 17)	49,396	56,674	43,460	48,204
Amortisation of intangible assets (Note 18)	679	1,237	-	-
Auditors' remuneration	10,000	10,000	5,000	5,000
Directors' remuneration	46,558	42,544	32,693	28,225
Personnel expenses (Note 12.1)	543,754	524,736	460,331	445,599
Rent and rates	43,659	43,659	26,181	26,181
Gain on disposal of property, plant and equipment	(510)	(948)	-	(948)

15. Tax expense

15.1. The tax charge/(credit) for the year has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes, and comprises:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Minimum Tax	36,351	19,993	31,874	11,796
Education Tax	572	504	-	-
Police fund levy	1	-	-	-
Deferred Tax written back	(130)	(576)	-	-
Total tax expense	36,794	19,921	31,874	11,796

	Group & Company	
	N'000	N'000
15.2. Income tax recognised directly in other comprehensive income		
Actuarial loss in other comprehensive income before tax	(10,668)	(20,868)

No tax expense was recognised for income recognised in other comprehensive income, because the criteria for recognition of the corresponding deferred tax asset was not met.

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
15.3. Current tax payable				
At 1 January	67,347	67,026	39,894	38,343
Prior year under provision	-	2,169	-	-
Charge for the year:	36,921	20,497	31,874	11,796
Payments during the year	(1,721)	(13,821)	-	(10,245)
Withholding tax utilized**	(24,207)	(8,524)	(20,293)	-
At 31 December	78,340	67,347	51,475	39,894

** As at year end, the Group and Company has withholding tax credit notes available for use in settlement of its tax liability. An amount of N24 million (2018: N8.5 million) for Group and N20.3 million (2018: Nil) for the Group and Company has been utilised to offset tax liability. The Movement in withholding tax receivables is as follows:

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
At 1 January	764,138	631,685	750,059	629,179
Additions in the year	220,006	140,977	213,563	120,880
Withholding tax credit note utilised	(24,207)	(8,524)	(20,293)	-
At 31 December	959,937	764,138	943,329	750,059

15.4. Deferred taxation

15.4.1. Unrecognised deferred tax assets (Company)

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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	2019 N'000	2018 N'000
Property, plant and equipment	(64,662)	455,145
Employee benefits	2,441	16,826
Impairment allowance on trade receivables	(2,161)	(18,037)
Unabsorbed capital allowance carry-forward	186,592	577,709
Unrelieved tax losses carried forward	3,355,667	2,973,810
	3,477,877	4,005,453

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
15.4.2. Movement in deferred tax balances				
At 1 January	1,642	2,143	-	-
written back through profit or loss	(130)	(501)	-	-
At 31 December	1,512	1,642	-	-
15.5. Income tax reconciliation				
Loss before taxation	(1,239,861)	(2,168,845)	(1,261,713)	(2,165,085)
Tax at Nigerian statutory income tax rate of 30% (2018 : 30%)	(371,958)	(650,654)	-	-
Non deductible expenses for tax purposes	415,186	673,111	-	-
Effect of minimum tax	-	-	31,874	11,796
Deferred tax effect	(130)	(576)	-	-
Tax relief	(7,262)	(2,465)	-	-
Education tax @ 2% of assessable profit	572	504	-	-
Recognised in profit or loss (Note 15.1)	36,408	19,921	31,874	11,796
At the effective tax rate	% (34)	% (109)	% (40)	% (184)

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
15.6 Statement of profit or loss				
Accelerated depreciation for tax purpose	49,396	56,674	43,460	2,329
Unutilized tax credit	-	-	-	-
Impairment of trade and other receivables	(2,657,212)	(2,653,262)	(2,516,338)	(2,511,572)
Other comprehensive income: Post-employment benefits	-	-	-	-
	(2,607,816)	(2,596,588)	(2,472,878)	(2,509,243)

16. Basic and diluted loss per share

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

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For the year ended 31 December 2019

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Loss attributable to equity holders (Naira)	(1,276,655)	(2,188,766)	(1,293,587)	(2,176,881)
Number of shares outstanding	1,176,354	1,176,354	1,176,354	1,176,354
Basic/diluted loss per share (Naira)	(1.09)	(1.86)	(1.10)	(1.85)

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

17. Property, plant and equipment

17.1 The Group

	Freehold land N'000	Freehold building N'000	Motor vehicle and Transport equipment N'000	Plant and machinery, Furniture and fittings N'000	IT Equipment N'000	Work-in-progress N'000	Total N'000
Group Cost							
At 1 January 2018	3,611,608	1,494,282	500,305	494,221	177,381	118,563	6,396,360
Additions	-	15,560	16,801	3,171	882	1,579	37,993
Disposals/write offs	-	-	(5,100)	-	-	-	(5,100)
At 31 December 2018	3,611,608	1,509,842	512,006	497,392	178,263	120,142	6,429,253
At 1 January 2019	3,611,608	1,509,842	512,006	497,392	178,263	120,142	6,429,253
Additions in the year	-	812	2,205	7,500	10,342	-	20,859
Transfer	-	1,579	-	-	-	(1,579)	-
Disposal	-	-	(9,770)	-	(428)	-	(10,198)
At 31 December 2019	3,611,608	1,512,233	504,441	504,892	188,177	118,563	6,439,914
Depreciation							
At 1 January 2018	284,675	478,743	490,124	426,547	171,111	-	1,851,200
Charged for the year	-	14,188	11,380	27,973	3,133	-	56,674
Reclassification/adjustment	-	-	(8,723)	8,723	1,222	-	1,222
Disposals/write-offs	-	-	(5,100)	-	-	-	(5,100)
At 31 December 2018	284,675	492,931	487,681	463,243	175,466	-	1,903,996
At 1 January 2019	284,675	492,931	487,681	463,243	175,466	-	1,903,996
Adjustment	-	-	-	-	-	-	-
Charged for the year	-	16,708	10,392	19,714	2,582	-	49,396
Disposal	-	-	(8,549)	-	(107)	-	(8,656)
At 31 December 2019	284,675	509,639	489,524	482,957	177,941	-	1,944,736
Net book value							
At 31 December 2019	3,326,933	1,002,594	14,917	21,935	10,236	118,563	4,495,178
At 31 December 2018	3,326,933	1,016,911	24,325	34,149	2,797	120,142	4,525,257

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 2018 and 2019 as management considers that there has been no material change in fair value of the properties during the year.

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

No property, plant and equipment was impaired during the year

17.2. The Company

Company	Freehold land N'000	Freehold building N'000	Motor vehicle and Transport equipment N'000	Plant and machinery, Furniture and fittings N'000	IT Equipment N'000	Work-in-progress N'000	Total N'000
Cost							
At 1 January 2018	3,611,608	1,494,282	459,913	482,839	167,614	118,563	6,334,819
Additions	-	15,560	16,801	2,838	718	1,579	37,496
Transfer	-	-	(131,796)	(42,856)	(6,729)	-	(181,381)
Disposal	-	-	(5,100)	-	-	-	(5,100)
At 31 December 2018	3,611,608	1,509,842	339,818	442,821	161,603	120,142	6,185,834
At 1 January 2019	3,611,608	1,509,842	339,818	442,821	161,603	120,142	6,185,834
Additions	-	812	-	6,768	7,980	-	15,560
Transfer	-	1,579	-	-	-	(1,579)	-
At 31 December 2019	3,611,608	1,512,233	339,818	449,589	169,583	118,563	6,201,394
Accumulated depreciation and impairment							
At 1 January 2018	284,675	478,743	455,290	417,593	162,043	-	1,798,344
Adjustment	-	-	(8,723)	8,723	2,329	-	2,329
Charged for the year	-	14,188	7,157	24,247	2,612	-	48,204
Transfer	-	-	(130,410)	(37,456)	(6,656)	-	(174,522)
Disposals/write offs	-	-	(5,100)	-	-	-	(5,100)
At 31 December 2018	284,675	492,931	318,214	413,107	160,328	-	1,669,255
At 1 January 2019	284,675	492,931	318,214	413,107	160,328	-	1,669,255
Charged for the year	-	16,708	7,719	17,039	1,994	-	43,460
At 31 December 2019	284,675	509,639	325,933	430,146	162,322	-	1,712,715
Net book value							
At 31 December 2019	3,326,933	1,002,594	13,885	19,443	7,261	118,563	4,488,679
At 31 December 2018	3,326,933	1,016,911	21,604	29,714	1,275	120,142	4,516,579

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 2018 and 2019 as management considers that there has been no material change in fair value of the properties during the year.

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

No property, plant and equipment was impaired during the year

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17.3 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 Group & Company	
	2019 N'000	2018 N'000
Cost		
At 1 January	1,426,159	1,410,599
Additions	812	15,560
At 31 December	1,426,971	1,426,159
Accumulated depreciation		
At 1 January	544,662	527,518
Depreciation for the year	14,188	17,144
At 31 December	558,850	544,662
Carrying amount at 31 December	1,985,821	1,970,821
No revaluation surplus was recognised during the year (2018 : NIL).		
Balance as at 1 January	2,864,778	2,864,778
Revaluation surplus	-	-
Related tax	-	-
	2,864,778	2,864,778

17.4 Security

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

17.5 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.

17.6 Capital commitments

The Group and the Company had no authorised or contracted capital commitments at the reporting date (2018: nil).

17.7 Depreciation of buildings

The Company's leasehold land at 18 Fatai Atere road, Matori has a certificate of occupancy which expires by 2021, the building on the land is however depreciated over 100 years based on the assessment of useful life of the building carried out by a commissioned firm of Structural Engineers, People & Projects Limited, (whose Principal Partner, Engr. Stephen Adekunle's FRCN Number is FRCN/2018/00000018214) in conjunction with Lagos State Material Testing Agency, and the assumption that the lease on the land will be renewed by Lagos State Government when expired.

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18. Intangible assets

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

	Group N'000	Company N'000
Cost		
At 1 January 2018	55,419	49,365
Additions	-	-
At 31 December 2018	55,419	49,365
At 31 December 2019	55,419	49,365
Accumulated amortisation		
At 1 January 2018	52,144	47,081
Charge for the year	1,237	2,284
At 31 December 2018	53,381	49,365
At 1 January 2019	53,381	49,365
Charge for the year	679	-
At 31 December 2019	54,060	49,365
Carrying amount		
At 31 December 2019	1,359	-
At 31 December 2018	2,038	-

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

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
19. Other investments				
Investment - Fara Park Limited	140,725	140,725	140,725	140,725

19.1 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.

20. Investments in subsidiaries

	The Company	
	2019 N'000	2018 N'000
Briscoe Properties Limited	155,501	155,501
Suite Resorts Limited	75	75
CAWS Technical Nigeria Limited	1,000	1,000
Non-operational entities	23,000	23,000
	179,576	179,576
Impairment of investment in subsidiary	(23,075)	(23,000)
At 31 December	156,501	156,576

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		Company	
	% of ownership	2019 N'000	2018 N'000
20.1.Group structure			
Briscoe Properties Limited	100	155,501	155,501
CAWS Technical Nigeria Limited	100	1,000	1,000
Suite Resorts Limited	0.05	75	4,075
Briscoe Leasing Limited*	100	2,000	2,000
Briscoe Material Handling Limited*	100	10,000	10,000
Briscoe-Ford Nigeria Limited*	100	10,000	10,000
Briscoe Garages Limited*	100	1,000	1,000
Impairment of investment in non-operational entities		(23,075)	(23,000)
		156,501	160,576

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

20.2.Subsidiary undertakings

All shares in subsidiary undertakings are ordinary shares.

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

20.2.1. Briscoe Properties Limited

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

20.2.2. CAWS Technical Nigeria Limited

CAWS Technical Nigeria Limited, was incorporated on 27 January 2014 in Nigeria as a private limited liability company. The principal activity of the Company are sales and after sale service of Elgi Compressor. The company commenced operations in June 2014.

21.3.Condensed results of consolidated entities

The consolidated results of the consolidated entities of R.T Briscoe (Nigeria) Plc are shown in Note 21.3.1-4. The R.T Briscoe Group in the condensed results includes the results of the under listed entities:

Briscoe Properties Limited
CAWS Technical Nigeria Limited

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Condensed results of consolidated entities 31 December 2019

	Parent - R.T Briscoe (Nigeria) Plc N'000	Briscoe Properties Limited N'000	CAWS Technical Nigeria Limited N'000	Total N'000	Elimination N'000	Group N'000
21.3.1 Condensed statement of profit or loss						
Revenue	6,261,101	286,801	398,899	6,946,797	(7,404)	6,939,393
Cost of sales	(4,857,985)	(175,572)	(249,862)	(5,283,419)	444	(5,282,976)
Gross profit	1,403,116	111,229	149,037	1,663,378	(6,960)	1,656,418
Other income	140,302	19,835	8,072	168,209	-	168,209
Distribution costs	(348,692)	(300)	(10,403)	(359,395)	-	(359,395)
Administrative expenses	(1,059,097)	(134,212)	(83,890)	(1,277,195)	6,960	(1,270,235)
Operating profit/(loss)	135,629	(3,448)	62,815	194,996	-	194,996
Net finance (expense) /income	(1,397,342)	8,997	(46,510)	(1,434,855)	-	(1,434,855)
Loss before taxation	(1,261,713)	5,549	16,305	(1,239,859)	-	(1,239,859)
Income tax expense	(31,874)	(2,570)	(2,349)	(36,794)	-	(36,794)
Loss after taxation	(1,293,587)	2,979	13,955	(1,276,653)	-	(1,276,653)

31 December 2019

21.3.2 Condensed statement of financial position

	Parent - R.T Briscoe (Nigeria) Plc N'000	Briscoe Properties Limited N'000	CAWS Technical Nigeria Limited N'000	Total N'000	Elimination N'000	Group N'000
Assets						
Cash and cash equivalents	50,439	22,428	41,016	113,884	-	113,884
Trade and other receivables	3,029,636	275,204	122,098	3,426,938	(440,131)	2,986,808
Other financial assets	140,725	-	-	140,725	-	140,725
Other current assets	33,633	7,371	4,799	45,803	-	45,803
Inventories	576,380	-	280,782	857,162	(73,097)	784,065
Property, plant and equipment	4,488,679	5,125	1,374	4,495,178	-	4,495,178
Intangible assets	-	1,359	-	1,359	-	1,359
Investment property	-	347,175	-	347,175	-	347,175
Investment in subsidiary	156,501	-	-	156,501	(156,501)	-
Total assets	8,475,993	658,662	450,069	9,584,724	(669,729)	8,914,996
Liabilities and equity						
Trade and other payables	2,561,291	93,757	334,663	2,989,711	(442,515)	2,547,197
Current tax payable	51,475	2,697	34,246	88,418	(10,076)	78,342
Bank Overdraft	15,763,205	-	-	15,763,205	-	15,763,205
Defined benefit plan	8,135	-	-	8,135	-	8,135
Deferred tax liability	-	987	525	1,512	-	1,512
Equity and reserves	(9,908,113)	561,220	80,636	(9,266,256)	(217,138)	(9,483,395)
Total liabilities and equity	8,475,993	658,662	450,069	9,584,725	(669,729)	8,914,997

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31 December 2018

	Parent - R.T Briscoe (Nigeria) Plc N'000	Briscoe Properties Limited N'000	CAWS Technical Nigeria Limited N'000	Total N'000	Elimination N'000	Group N'000
21.3.3. Condensed statement of profit or loss						
Revenue	4,594,287	213,644	381,150	5,189,081	(6,622)	5,182,459
Cost of sales	(3,383,442)	(113,076)	(232,914)	(3,729,432)	4,524	(3,724,908)
Gross profit	1,210,845	100,568	148,236	1,459,649	(2,098)	1,457,551
Other income	144,316	9,415	86	153,817	-	153,817
Distribution costs	(247,799)	(573)	(10,304)	(258,676)	-	(258,676)
Administrative expenses	(1,038,354)	(94,112)	(122,050)	(1,254,516)	2,100	(1,252,416)
Operating (loss)/ profit	69,008	15,298	15,968	100,274	2	100,276
Net finance (expense) / income	(2,234,093)	5,830	(40,858)	(2,269,121)	-	(2,269,121)
Loss before taxation	(2,165,085)	21,128	(24,890)	(2,168,847)	2	(2,168,845)
Income tax expense	(11,796)	(6,908)	(1,217)	(19,921)	-	(19,921)
Loss after taxation	(2,176,881)	14,220	(26,107)	(2,188,768)	2	(2,188,766)

31 December 2018

21.3.4. Condensed statement of financial position

	Parent - R.T Briscoe (Nigeria) Plc N'000	Briscoe Properties Limited N'000	CAWS Technical Nigeria Limited N'000	Total N'000	Elimination N'000	Group N'000
Assets						
Non-current assets						
Cash and cash equivalents	232,058	143,340	24,379	399,777	-	399,777
Trade and other receivables	1,423,802	144,400	148,062	1,716,264	(331,927)	1,384,337
Other financial assets	140,725	-	-	140,725	-	140,725
Other current assets	48,227	7,148	4,001	59,376	-	59,376
Inventories	588,617	41,030	307,379	937,026	(73,096)	863,930
Property, plant and equipment	4,516,579	5,189	3,489	4,525,257	-	4,525,257
Intangible assets	-	2,038	-	2,038	-	2,038
Investment property	-	350,845	-	350,845	-	350,845
Investment in subsidiary	156,576	14,925	-	171,501	(171,501)	-
Total assets	7,106,584	708,915	487,310	8,302,809	(576,524)	7,726,285
Liabilities and equity						
Trade and other payables	1,289,150	145,141	386,991	1,821,282	(349,310)	1,471,972
Current tax payable	39,894	4,415	33,113	77,422	(10,075)	67,347
Bank Overdraft	14,325,310	-	-	14,325,310	-	14,325,310
Defined benefit plan	56,088	-	-	56,088	-	56,088
Deferred tax liability	-	1,117	525	1,642	-	1,642
Equity and reserves	(8,603,858)	558,242	66,681	(7,978,935)	(217,139)	(8,196,074)
Total liabilities and equity	7,106,584	708,915	487,310	8,302,809	(576,524)	7,726,285

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For the year ended 31 December 2019

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
21. Inventories				
Motor vehicles, parts and accessories	92,197	184,712	92,197	184,712
Industrial equipment and parts	518,966	493,699	337,425	267,750
Service work in progress	15,506	18,279	15,506	18,279
Trading properties	-	41,030	-	-
Consumables	4,206	4,477	4,206	4,477
Inventories in transit	153,190	121,733	127,046	113,399
	784,065	863,930	576,380	588,617

Inventories to the value of N784 million (2018 : N864 million) are carried at net realisable value. No amount is recognised as expenses in respect of write down of inventories to net realisable value. The Company provided negative pledges over its assets in respect of its term loans, import finance facilities and overdraft facilities with its bankers.

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
22. Trade and other receivables				
Trade receivables	2,890,836	1,518,227	2,543,548	1,200,393
Receivable from related parties (Note 32)	-	-	224,131	237,879
Other receivables	2,739,380	2,491,656	2,765,072	2,472,706
Staff loans and advance	13,805	27,716	13,223	24,396
	5,644,021	4,037,599	5,545,974	3,935,374
Allowance for Impairments (Note 22.1)	(2,657,212)	(2,653,262)	(2,516,338)	(2,511,572)
	2,986,809	1,384,337	3,029,636	1,423,802
Analysis of trade and other receivables				
Non-current***	443,164	426,178	439,910	383,618
Current	2,543,645	958,159	2,589,726	1,040,184
	2,986,809	1,384,337	3,029,636	1,423,802

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

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

22.1. Allowance for Impairments

At 1 January	2,653,262	2,681,894	2,511,572	2,681,894
Effect of IFRS 9 adoption	-	(57,291)	-	(59,975)
Provision no longer required	(4,931)	(92,379)	(2,447)	(86,492)
Addition in the year	8,881	121,038	7,213	71,145
Inter company transfer during the year	-	-	-	(95,000)
At 31 December	2,657,212	2,653,262	2,516,338	2,511,572

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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	The Group 2019			The Company 2019		
	Gross N'000	Impairment N'000	Carrying amount N'000	Gross N'000	Impairment N'000	Carrying amount N'000
As at 31 December, the ageing analysis of trade receivables is as follows:						
Not past due	2,339,332	(42,972)	2,296,360	1,510,606	(82,978)	1,427,628
Past due 91 - 180 days	511,341	(35,050)	476,291	468,334	(60,100)	408,234
Past due 181 - 360 days	137,422	(51,508)	85,914	460,151	(91,755)	368,396
Past due above 360 days	2,655,926	(2,527,682)	128,244	3,106,883	(2,281,505)	825,378
	5,644,021	(2,657,212)	2,986,809	5,545,974	(2,516,338)	3,029,636

	2018			2018		
	N'000	N'000	N'000	N'000	N'000	N'000
Not past due	782,303	(42,972)	739,331	755,303	(41,489)	713,814
Past due 91 - 180 days	170,447	(35,050)	135,397	150,442	(30,050)	120,392
Past due 181 - 360 days	112,474	(51,508)	60,966	77,254	(46,505)	30,749
Past due above 360 days	2,972,375	(2,523,732)	448,643	2,952,375	(2,393,528)	558,847
Total	4,037,599	(2,653,262)	1,384,337	3,935,374	(2,511,572)	1,423,802

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
23. Other current assets				
Prepaid rent	25,953	33,508	23,037	30,592
Other prepaid expenses	19,849	25,868	10,596	17,635
	45,802	59,376	33,633	48,227
24. Cash and cash equivalents				
Cash and cash equivalents consist of cash on hand, balances with banks and short term deposits.				
Cash in hand	6,892	6,395	6,058	5,536
Cash at Bank	106,992	313,818	44,381	146,958
Short-term deposit	-	79,564	-	79,564
Cash and short term deposit	113,884	399,777	50,439	232,058

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and bank balances as defined above, net of outstanding bank overdrafts as at 31 December.

Cash and short term deposit	113,884	399,777	50,439	232,058
Bank overdrafts (Note 24.1)	(15,763,205)	(14,325,310)	(15,763,205)	(14,325,310)
	(15,649,321)	(13,925,533)	(15,712,766)	(14,093,252)

24.1. This represents facilities with seven Nigerian banks which the company defaulted in paying and the banks converted to overdrafts.

The Company's exposure to credit, currency and liquidity risks related to cash and cash equivalents is disclosed in Note 6.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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	Land N'000	Building N'000	Total N'000
25. Investment properties			
Cost			
Reclassification from Inventories	171,426	184,196	355,622
At 30 December 2018	171,426	184,196	355,622
At 1 January 2019	171,426	184,196	355,622
At 31 December 2019	171,426	184,196	355,622
Accumulated depreciation			
At 1 January 2018	-	1,106	1,106
Charge for the year	-	3,671	3,671
At 31 December 2018	-	4,777	4,777
At 1 January 2019	-	4,777	4,777
Charge for the year	-	3,670	3,670
At 31 December 2019	-	8,447	8,447
Carrying amounts			
At 31 December 2019	171,426	175,749	347,175
At 31 December 2018	171,426	179,419	350,845

25.1. Investment property comprises of residential housing units located at Orchid Court, Ikeja GRA Lagos state which are on rental and are fully occupied as at year end. The fair value of investment property as at 31 December 2019 was determined by the Company's internal valuer, having appropriately recognised professional qualifications and recent experience in the location and category of property valued. The fair value of the investment property as at 31 December 2019 amounts to N495 million (2018 : 495 million).

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
26. Share capital and reserves				
26.1. Authorised shares:				
6,500,000,000 ordinary shares of 50 kobo each	3,250,000	3,250,000	3,250,000	3,250,000
26.2. Issued and fully paid				
1,176,354,000 ordinary share of 50kobo each	588,177	588,177	588,177	588,177

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
27. Share premium				
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.				
28. Revaluation reserve				
At 31 December	2,864,778	2,864,778	2,864,778	2,864,778
29. Loss sustained				
At 1 January	(12,058,891)	(9,906,547)	(12,466,675)	(10,328,901)
Impact of IFRS 9 adoption	-	57,290	-	59,975
Loss for the year	(1,287,323)	(2,209,634)	(1,304,255)	(2,197,749)
At 31 December	(13,346,214)	(12,058,891)	(13,770,930)	(12,466,675)
30. Defined benefit plan				
Defined benefit obligation (gratuity) liability (Note 30.2)	50,585	37,194	50,585	37,194
Long service award (Note 30.1)	23,513	18,894	23,513	18,894
Gratuity liability at the end of the year	74,098	56,088	74,098	56,088
Planned asset at 1 January	-	-	-	-
Initial funding during the year	(65,000)	-	(65,000)	-
Actual return on planned assets	(963)	-	(963)	-
	8,135	56,088	8,135	56,088

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

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

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

During the year, the Entity funded the planned asset with GTL Trustees Limited. The planned asset at 31 December 2019 is N65,962,534.25 (31 December 2018 : Nil).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
30.1. Movement in the present value of the long service award				
At 1 January	18,894	19,980	18,894	19,980
Included in profit or loss				
Current service cost	685	720	685	720
Interest cost	2,838	2,781	2,838	2,781
	3,523	3,501	3,523	3,501
Included in other comprehensive income				
Actuarial loss recognised in profit or loss	2,446	(2,987)	2,446	(2,987)
Benefits paid by the plan	(1,350)	(1,600)	(1,350)	(1,600)
At 31 December	23,513	18,894	23,513	18,894
30.2. Movement in present value of the defined benefit obligation (gratuity)				
At 1 January	37,194	20,085	37,194	20,085
Included in profit or loss				
Current service cost	2,578	1,602	2,578	1,602
Interest cost	5,579	2,606	5,579	2,606
	8,157	4,208	8,157	4,208
Included in other comprehensive income				
Net actuarial losses/(gain) recognised in other comprehensive income	10,668	20,868	10,668	20,868
Unpaid benefits transferred to current liabilities	-	-	-	-
Benefits paid by the plan	(5,434)	(7,967)	(5,434)	(7,967)
Balance at 31 December	50,585	37,194	50,585	37,194
30.3. Recognised in other comprehensive income:				
Net actuarial losses on defined benefit obligation	10,668	20,868	10,668	20,868

30.4. Actuarial assumptions

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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Financial assumptions

The principal actuarial assumptions used were:

	2019	2018
Discount rate	12.5%	14%
Future salary increases	10%	13.5%
Future rate of Inflation	12%	10%
Benefit increase rate (Per annum)	0%	0%

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

Demographic assumptions

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

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.

	Number of deaths in a year out of 10,000 lives	
Sample age	2019	2018
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.

	Rate	
	2019	2018
Withdrawal from Service (age band)		
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

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	The Group		The Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
31. Trade and other payables				
Trade creditors	1,291,239	819,502	1,168,057	653,673
Other payables (Note 31.1)	404,919	458,677	356,435	378,682
Dividend payable	100,969	107,300	100,969	107,300
Non income taxes	57,901	56,667	28,989	25,890
Due to related parties (Note 31.2)	679,733	6,175	895,499	99,954
Pension Contribution (Note 31.3)	12,441	23,651	11,342	23,651
	2,547,202	1,471,972	2,561,291	1,289,150
31.1. Other payables				
Deferred Income	42,549	52,316	27,375	30,867
Staff deductions	66,319	104,750	66,639	103,163
Withholding tax payable	92,857	101,488	79,111	77,470
Sundry creditors	413	69,325	413	69,325
Payable on facility management	3,684	18,981	-	-
Accrued expenses	199,097	111,817	182,897	97,857
	404,919	458,677	356,435	378,682
31.2. Due to related parties				
This represents amount due from R. T Briscoe (Nigeria) Plc to other related parties.				
31.3. Pension contribution				
At 1 January	23,651	11,212	23,651	11,212
Additions in the year	44,307	30,253	32,170	30,253
Remittances in the year	(55,517)	(17,814)	(44,479)	(17,814)
At 31 December	12,441	23,651	11,342	23,651

32. Related Parties

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

Related Parties	Nature of Transaction	Relationship	Transaction value during the year		Balance outstanding as at 31 December	
			31-Dec-19 N'000	31-Dec-18 N'000	31-Dec-19 N'000	31-Dec-18 N'000
Caws Technical Nigeria Limited	Service provision	Sister Company	(11,694)	76,332	224,131	235,825
Briscoe Properties Ltd.	Service provision	Sister Company	(2,054)	103,424	-	2,054
Other related parties:						
Toyota Nigeria Limited	Purchase of goods		(673,558)	1,662,385	(679,733)	(6,175)
			(687,306)	1,842,141	(455,602)	231,704

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

Long term compensation to key management

The company has no long term compensation for his key management personnel.

	Group		Company	
	2019 Number	2018 Number	2019 Number	2018 Number
33. The number of full time employees as at 31 December 2017 was as follows:				
Managerial staff	23	17	15	15
Senior staff	117	110	79	94
Junior staff	75	91	55	57
Total number of employees	215	218	149	166

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

	Number	Number	Number	Number
N300,001- N350,000	-	4	-	-
N350,001- N400,000	9	31	-	-
N400,001- N450,000	11	3	-	-
N500,000 and above	195	180	149	166
	215	218	149	166

	Number	Number	Number	Number
34. Information relating to Directors				
34.1. Directors' mix				
Executive Directors	2	2	2	1
Non-executive Directors	7	7	7	7
	9	9	9	8

	N'000	N'000	N'000	N'000
34.2. Directors' remuneration				
The aggregate emolument of the Directors was:				
Directors' fees	950	950	950	950
Remuneration - executive director(s)	33,469	30,419	21,019	16,100
Sitting allowance	7,339	6,375	5,924	6,375
Chairman emoluments (excluding pension contribution)	4,800	4,800	4,800	4,800
	46,558	42,544	32,693	28,225

The emolument (excluding pension contributions and certain benefits) of the highest paid director was N18,039,000 (2018: N16,100,000).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

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

	The Company	
	2019 Number	2018 Number
N 50,001- N100,000	-	-
N100,001- N150,000	7	6
	7	6

35. Contingencies

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

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

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

b) Contingent liabilities

The company is engaged in lawsuits that have arisen in the normal course of business. The contingent liabilities in respect of pending litigations and claims amounted to N335 million as at 31 December 2019. In the opinion of the directors, and based on independent legal advice, the company is not expected to suffer any material loss arising from these claims. Thus, no provision has been made in these consolidated financial statements.

c) Financial commitments

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

36. Events after the reporting date

a) Impact of COVID-19 on the consolidated and separate financial statements

i) Corona Virus pandemic/economic situation

The COVID-19 pandemic is the defining global health crisis of our time and is arguably the biggest challenge facing humanity today. Since its emergence in China in December 2019, the novel corona virus has since spread to about 196 countries and territories in every continent across the globe. Cases are rising daily in Africa the Americas, and Europe and according to

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the WHO Situation Report of 18th April 2020, the global case is currently put at 2.16 million with 146,088 deaths.

Nigeria confirmed its index case in Lagos on February 27th, since then, the outbreak has spread nationwide. The rapid spread prompted a Federal Government directed restriction in movement in Lagos and Ogun States including the FCT Abuja between the period of March 31st and May 4th, 2020. Other States also instituted varying degrees of lockdowns in a bid to stem the spread of the outbreak.

Beyond the tragic health hazards and human consequences of the COVID-19 pandemic, the economic uncertainties, and disruptions that have resulted, come at a significant cost to the global economy. Worse still, the slowdown in the global economy and lockdown in China, US, and most Eurozone economies, as a result of COVID-19, has diminished the global demand for oil. This is also coming at a time when two key players in the global oil industry – Russia and the OPEC cartel – are at loggerheads on the decision to cut output. These factors caused the decline in oil price to hover around \$26 bpd.

Many countries (Nigeria inclusive) that use commodity price benchmarks have not figured out how to weight Black Swan events - ie. Low probability, high impact - of which the Corona virus is arguably one, in their budget assumptions.

In Nigeria, the effect of the pandemic is evident as all of the 2020 budget indicators; an oil production volume of 2.18 million barrel per day, oil benchmark of \$57, N305 exchange rate to the US dollar, GDP growth rate of 2.93%, and inflation rate of 10.81% now appear out of reach, and will most likely result in a downsizing of expenditure plans leading to severe contraction in economic activity in 2020.

Plunging oil prices stemming from the coronavirus outbreak led the International Monetary Fund to cut its estimate for Nigerian economic growth to (-3.4%) indicating that the country is heading to its worst recession in three decades, in contrast to an earlier projected growth of (+2.5%) in 2020.

According to recent newspaper reports, the Federal Government has announced a downward revision to the 2020 budget by over N320 billion to N10.27 trillion from initial N10.59 trillion. In addition, the revenue projection for the 2020 budget was also reduced by N3.3 trillion (about 39 per cent) from the initially approved amount of N8.41 trillion to N5.08 trillion and reduces the oil benchmark from \$57 per barrel to \$30 per barrel while the oil production volume was reduced from 2.18 million barrels to 1.70 million barrel.

All these factors will have implications for our business given the strong correlation of our performance to macro-economic fluctuations.

ii) Impact on Briscoe operations and performance

The scale of this pandemic has significantly constrained social mobility and interaction with far reaching impacts on local economic growth, most of which are almost impossible to quantify at the moment. Anecdotal evidence suggests that in the short run, these impacts would be material, however the scale is unlikely to be captured by any meaningful economic indicators for months.

Unfortunately, the COVID-19 crisis is causing all components of aggregate demand to fall. Our Offices in key locations in Lagos and Abuja have been closed temporarily in line with the government directive leading to loss of revenue while our services in other business clusters have extensively diminished.

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More so, as discretionary spending by government and consumers continues to decline, companies such as Briscoe are facing severe contraction in demand as a result of the economic lockdown.

Secondly, slump in oil prices have significantly reduced the capital expenditure plans of Government and given its disproportionate share, as the largest source of aggregate demand for capital goods, the effect on our business especially motors business will be significant. The multiplier effect on other business will also be damaging.

The bellwether manufacturing PMI (Purchaser's Managers Index) in the month of March stood at 51.1 index points, indicating a slower expenditure rate when compared to the index level in February. In the same vein, the composite PMI for the non-manufacturing sector stood at 49.2 points in March 2020, indicating contraction in Non-manufacturing PMI for the first time after thirty-four consecutive months of expansion. Aggregate purchasing activities contracted in March 2020.

Due to pandemic and the resultant economic effects of the lockdown and variation in performance indicators, the 2020 budget of the company may need to be revised and realigned to emergent realities. It is pertinent to note that the loss of revenue could undermine its ability to continue as a going concern given the precarious financial position.

Overall, the interplay of fiscal inadequacies, fall in oil prices, shocks in demand and supply due to the pandemic and extended lockdown may lead to huge variation in budgeted target by the company.

Impact on automobile business

Demand Shock: The Motors business account for about 75% of the Group's turnover with the bulk of the demand for new vehicles coming from public sector, oil and gas companies and other Corporate Organization. Consequently, it is very vulnerable to expenditure profile of these entities in the economy.

The incidence of COVID-19 and dip in oil prices has led to a wide reduction in revenue receipts by government and corporate organizations and will cause their expenditure allocations to decline disproportionately. With the primary focus of the Government, Businesses and Households on Health and Food security, spending on automobile will decline similar to the trends witnessed during the last recession or worse. This impact is already evident given the relative low revenue generated by the Motors Unit since the beginning of the lockdown in April.

In addition, the depreciation of the Naira will increase the cost of vehicles and parts leading to further decline in demand as scarce resources are reallocated due to price mechanism.

Supply Shocks: The Business presently operates a just-in-time inventory strategy. This strategy implies less control over stock availability. With the wide disruption in supply chain due to the Pandemic, the unit may not have access to sufficient stock timely due to this disruption as well as tactical manoeuvrings by competitors. Expectedly, non-availability of stock to satisfy residual demand due to disruptions in the supply chain will lead to unrealized sales causing a severe dip in revenue until economic recovery occurs.

Impact on Performance: Diminished revenue, access to finance to purchase stock as well shocks in demand and supply will likely lead to an underwhelming performance. The performance of the aftersales operations will likely follow a similar trajectory with revenue impacted as resource redirection occurs to more non-discretionary and essential services.

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Impact on material handling business

Demand Shocks: The widespread disruption in the local economy in the form of slowdowns in production and distribution as non-essential goods factories are shut down and labour is demobilized will have a profound effect on the demand for material handling solutions. As stated above, the contraction in the composite PMI indicates slowdown in industrial and capital expenditure. More so the recent devaluation in the local and new forex restrictions will increase the cost of equipment and the businesses, unable to pass this cost to final consumers due to reduced income and unfavourable economic conditions, will defer investment in fixed assets. This will lead to attrition in demand.

Supply Shocks: The business already experiences a long lead time. Factory closures at the manufacturing and other supply chain disruption will extend the product delivery time leading to stockout situation. Further delays due to liquidity and scarcity of foreign exchange may exacerbate this situation.

Impact on Performance: The indicators point to an undesirable performance hinged on diminished demand and on the disruption in supply of stock. Mild relief is expected as demand by food companies and other organizations grows, albeit at a slower scale, but that gain will be insufficient to cover the large-scale demand disruptions from other sectors as well supply chain failures from OEMs.

In addition, the reduction in cashflow due to the pandemic and lockdown elevates counterparty defaults levels which may affect the business ability to meet target revenue.

Air compressor business:

Demand Shocks: The Impact on the air compressor could likely follow a similar pattern to the material handling business as a consequence of waning demand due contraction in economic activity. Procurement activity as reflected in the composite PMI for march shows that new orders, employment level and inventories contracted in March 2020. Stoppages as well deferrals in capital investment, projects and capacity expansion will continue to diminish the demand for air compressor equipment. In addition, several marketing initiatives to improve the visibility of the businesses and drive demand has now being put on hold due to the pandemic.

Supply Shock: Disruption in global supply chain as well as changes in monetary policy will impact on the ability of the business to procure equipment. India has already restricted export activities and is re-directing its manufacturing expertise in air compressor towards providing health equipment's such as ventilators which require air compression technology. This will have a huge impact on product availability.

Impact on Performance: The indicators point to an undesirable performance hinged on diminished demand and on the disruption in supply of stock. In addition, the reduction in cashflow due to the pandemic and lockdown elevates counterparty defaults levels which may affect the liquidity and capacity to deliver target returns.

Impact on real estate business:

Demand Shock: A guaranteed effect of the pandemic amidst the lockdown is a consistent decline in income. While individuals are getting more concerned with survival, the willingness to invest in real estate is shrinking. The commercial and hospitality sub-sector seems to be taking the first-hand blow with schools, hotels, malls, and office buildings currently empty. If the pandemic continues, the demand for property sales could likely decline as resources are shifted to non-discretionary expenditure while rental defaults and deferrals are likely to

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

occur with tenants who have either lost their jobs or are currently experiencing acute income cuts. Home shoppers/developers, on the other hand, are already pausing on purchasing decisions too due to liquidity concerns.

Supply Shocks: With access to finance restricted, real estate development will contract. Projects are likely to be placed on hold due to restrictions in finance and supply in building materials. In the case of Nigeria, where foreign exchange is becoming a bigger challenge, importation will be costlier. An ensuing fact will be that home builders have to observe social distancing, which affects property development and management.

In conclusion, the pandemic will exacerbate the already challenging business environment and present additional strategic risk to our business. Reduction in government earnings, collapse in oil prices, contraction in demand coupled with supply shocks due all portend risks to the enterprise.

Estimated Risk Assessment and Impact

Business	Probability	**Impact on Performance
Automobile	Supply Shock – High Demand Shock – Medium	Significant ~ 18% - 30% decline in sales
Material Handling	Supply Shock – Medium Demand Shock – Medium	**Moderate ~ 5% - 10% Variation in sales
Air Compressor	Supply Shock – Medium Demand Shock – Medium	Moderate ~ 5 - 10% variation in sales
Real Estate	Supply Shock – High Demand Shock – High	Significant ~ 15%– 30% decline in sales

**Estimations based on previous decline in economic with further adjustment for the impact of the pandemic. Sources: KPMG, ACEA Publication, US Federal Reserve, Nigeria Bureau of Statistics, CBN

iii. Post COVID-19 strategies

Although the advent of the recent COVID-19 global pandemic has negative impacts on the company's business as it is with all the companies in the country and indeed the whole world. The management of the company at the outset of the COVID-19 Pandemic carried out detailed analysis of the possible negative impact of the pandemic on the company's business and articulated various strategies aimed at minimizing the possible negative impacts and taking advantage of the various opportunities that the pandemic has thrown up. We have continued to update these strategies from time to time as events unfolds. Business performances following the lockdowns observed in April and early May 2020 has shown that these strategies are working. Summarised below are some of these strategies:

- Our marketing efforts have largely been migrated to online channels through the provision of e- catalogues, development of visuals and engagement on social media to generate and close leads.
- Enhanced prospecting and increased focus on demand for ambulances (Hiace Buses) and other healthcare support vehicles (Hilux Pickup). Elevated demand for vehicles in this category would likely continue as Government, Healthcare Providers and Corporates continue to invest and redirect non- discretionary expenditure to the health sector due to the pandemic.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

- The Motors After Sales segment has shifted focus to mainly signing-on of fleet customers. These categories of customers are locked-in through annual maintenance contracts which increases revenue assurance. It has also adopted mobile service capacities and decentralization of parts inventory which ensures the rapid deployment of maintenance teams to customer locations at reduced cost. This scheme will continue to generate much needed revenue while optimizing cost.

In our Industrial Equipment businesses (Material Handling & Compressors), we have adopted the followings:

- **Forward contracts:** In the negotiations of purchase orders with reputable companies. This is to hedge against price volatility and reduce uncertainty due to foreign exchange fluctuations.
- **Advanced Ordering:** Our customers have been notified of likely disruptions in supply from the OEM as a result of factory closures in Japan/India and encouraged to bring forward their orders slated for the latter half of the year. Accordingly, we have concluded a significant number of these orders as customers take advantage of pricing and availability advantages on offer. This by extension has guaranteed revenue for the remainder of the year. In addition, firm enquiries have been received from leading players in the consumables industry.
- **Remote Truck Monitoring Tool:** We have deployed an online and remote – forklift and warehouse trucks management tool called i-Site which optimizes trucks performance and maintenance. This tool has improved efficiency of customer operations and has translated to increased patronage.
- An operation office replete with tools, equipment and parts consumables has being set-up in the Agbara Location to cater for the needs of our cluster of customers with functional quasi-independence. This has reduced the operational cost with improvements in efficiency.
- **Inventory and Supply Management:** In anticipation of the lockdown, we identified key demand trajectories and concluded the orders for some identified air compressor types on a batched supply basis. This exercise ensured that the needed inventory was available to fulfil demand especially from the food and packaging industry during this period. We have also adapted our inventory for product substitution for mild variations with customer demand by having equipment attachments. This strategy consolidated our position in the market if the mild variations for subsequent customer orders and increase our market share in the period since some of our competitors suffered stock lockouts.
- **Introduction of new product:** Leveraging on the opportunities thrown up by COVID-19, given the severity and likely protracted duration of the incidence, we in partnership with our international OEM – Elgi has introduced the ATS Elgi Disinfecto Sanitization Tunnel which is very effective in decontaminating people, material and surfaces. This product has optional thermometry capacities and has shown huge promise to improve our revenue due to its affordability, automaticity, ease of deployment to company location and capacity to process scores of persons under 5 mins with full body disinfection.

In our Real estate and facility management business:

- Recently, we obtained the ISO certification and have leveraged on this, to attract new Facility Management Contracts from Banking Institutions, Telecoms, Religious Institutions as well FMCGs industry. These new mandates are negotiated on annual basis and on conclusion will guarantee sustainable revenue to the company.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

- **Value Added Services:** Demand for fumigation, cleaning and disinfection of estates as well as high human traffic locations continues to grow in demand. We have started offering some of these services in a boutique offering as well as stand-alone. More so, the recent directive by Lagos State on opening standards to be adopted by social locations continues to grow our enquiries for our range of services. We have deployed these facilities such as a disinfection chamber at Educational Institutions and Residential Estate and this has secured our mandate for the foreseeable future.

iv. Way forward and future likely effects on R.T. Briscoe

The federal government recently announced a reduction in 2020 budget by over N320 billion to N10.27 trillion from initial N10.59 trillion. Obviously, the new budget proposal, became imperative in view of the devastating effect of the ongoing COVID-19 pandemic and the falling oil price on the global economy. While the variation in budget sum is marginal, the funding of the budget will largely come from debt, asset sales and other sources with revenues expected to decline significantly due to the effects of the lockdown and dip in crude oil price.

Under current policies and conditions, the economic impact of the lockdown and decline in oil price will batter the already fragile Nigeria economy with dire consequences for most companies. Briscoe as a business entity operating within the Nigeria context is not immune to these outcomes and like most dealers of capital goods will be very vulnerable to these shocks as Government and Businesses shift their focus to non-discretionary spending over investment assets. Significant drop in demand for investment assets is expected to impact the performance of the company till mild economic recovery is achieved later in the year.

On the positive side, we expect companies operating in the essential goods sectors to invest in minor capacity extension and increase asset maintenance buoyed by consumer demand vectors and government interventions. This will provide mild relief.

Recently, the CBN Governor announced a N3.5 trillion government combined stimulus programme in targeted measures to reboot and bolster economic activities in the country. Accordingly, the company is exploring opportunities within this stimulus package as it relates to our value offerings in addition to other emergent opportunities in other sectors of the economy.

Expectedly, the outbreak will have a huge influence on investor appetite and remains a concern given the company's intention to raise funds through the capital market in 2020. The effect remains to be seen as stock performance on the Nigeria equities markets have shown mixed results.

However, we are optimistic that the market conditions will improve towards the second half of the year to ensure a successful capital market outing.

- (b) **Appointment of Receiver by Asset Management Corporation of Nigeria (AMCON)**
Assets Management Corporation of Nigeria (AMCON), had in exercise of its statutory powers appointed the firm of Dele Oye, Esq as a Receiver for the company, by a letter dated 13th January 2020 for the recovery of the amount due to AMCON as a result of the takeover of the company's liabilities to Polaris bank. Following the appointment of the Receiver by Assets Management Corporation of Nigeria (AMCON), the Receiver has co-operated with management of the company. The Receiver has also conceded the management of the company to the Board and Management of RT Briscoe and has continued to work and cooperate with RT Briscoe within the purview of the AMCON Act to ensure the resuscitation of the company and its restoration to financial prosperity.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2019

Other than as described on the disclosures on event after reporting date and disclosure in Note 35(a) above, the Directors are of the opinion no other significant transactions has occurred subsequent to the reporting date, which could have had a material effect on these Consolidated and separate financial statements as at 31 December 2019 that have not been adequately provided for or disclosed in these consolidated and separate financial statements.

37. Comparative figures

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

VALUE ADDED STATEMENT

For the year ended 31 December 2019

	Group				Company			
	2019 N'000	%	2018 N'000	%	2019 N'000	%	2018 N'000	%
Revenue	6,939,393		5,182,459		6,261,101		4,594,287	
Other operating income	168,207		153,817		140,302		144,316	
Finance income	13,481		16,122		55,038		51,150	
	7,121,081		5,352,398		6,456,441		4,789,753	
Deduct:								
Outside purchases of services and products:								
- Local	(5,685,855)		(3,745,191)		(5,185,479)		(3,752,709)	
- Import	(632,922)		(445,814)		(576,504)		(398,763)	
Value added	802,304	100	1,161,393	100	694,458	100	638,281	100
Distributed as follows:								
To pay employee:								
Salaries and labour related expenses	543,754	68	510,534	44	460,331	66	445,599	70
To provider of capital:								
Interest	1,448,336	181	2,760,746	238	1,452,380	209	2,310,578	362
To pay Government:								
- Company taxes	36,794	5	19,921	2	31,874	5	8,497	1
To provide for replacement of assets and future expansion of business:								
- Depreciation of property plant and equipment	49,396	6	56,674	5	43,460	6	48,204	8
- Amortisation of intangible assets	679	-	2,284	-	-	-	2,284	-
Loss transferred from income statements	(1,276,655)	(159)	(2,188,766)	(188)	(1,293,587)	(186)	(2,176,881)	(341)
	802,304	100	1,161,393	100	694,458	100	638,281	100

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

FINANCIAL SUMMARY - THE COMPANY

31 DECEMBER 2019

	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Profit or loss account					
Revenue	6,261,101	4,594,287	3,882,611	8,751,219	11,040,841
Loss before income tax	(1,261,713)	(2,165,085)	(3,152,751)	(3,059,416)	(4,404,355)
Income tax expense/writeback	(31,874)	(11,796)	(8,497)	(16,871)	156,536
Loss for the year	(1,293,587)	(2,176,881)	(3,161,248)	(3,076,287)	(4,247,819)
Other comprehensive (loss)/income	(10,668)	(20,868)	64,495	7,765	881,412
Total comprehensive loss for the year	(1,304,255)	(2,197,749)	(3,096,753)	(3,068,522)	(3,366,407)
Employment of funds					
Property, plant and equipment	4,488,679	4,516,579	4,536,475	4,581,635	4,767,141
Intangible assets	-	-	-	2,284	25,185
Investment in subsidiaries	156,501	156,576	160,576	183,576	169,475
Non-current prepayments	-	-	-	4,555	14,259
Other non-current receivables	439,910	383,618	381,773	246,114	115,857
Net current (liabilities)/assets	(14,985,068)	(13,604,543)	(11,504,843)	(7,949,475)	(4,833,208)
Loans and borrowings	-	-	-	(300,566)	(435,689)
Non-current liabilities	(8,135)	(56,088)	(40,065)	(137,452)	(123,827)
Deferred tax liabilities	-	-	-	-	-
Net liabilities	(9,908,113)	(8,603,858)	(6,466,084)	(3,369,329)	(300,807)
Funds employed					
Ordinary Shares	588,177	588,177	588,177	588,177	588,177
Share premium account	409,862	409,862	409,862	409,862	409,862
Revaluation reserve	2,864,778	2,864,778	2,864,778	2,864,778	2,864,778
Loss sustained	(13,770,930)	(12,466,675)	(10,328,901)	(7,232,146)	(4,163,624)
	(9,908,113)	(8,603,858)	(6,466,084)	(3,369,329)	(300,807)
Basic/diluted loss per share (Naira)	(1.10)	(1.85)	(2.69)	(2.62)	(3.61)
Net liabilities per share (Naira)	(17)	(15)	(11)	(6)	(1)

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

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

FINANCIAL SUMMARY - THE GROUP

31 DECEMBER 2019

	2019 N'000	2018 N'000	2017 N'000	2016 N'000	2015 N'000
Profit or loss and other comprehensive income					
Revenue	6,939,393	4,376,859	4,376,859	9,808,274	11,945,313
Loss before income tax	(1,239,861)	(2,168,845)	(3,137,152)	(2,819,299)	(4,306,120)
Taxation	(36,794)	(19,921)	(23,390)	(81,310)	124,479
Loss for the year ended	(1,276,655)	(2,188,767)	(3,160,543)	(2,900,609)	(4,181,641)
Other comprehensive (loss)/ income	(10,668)	(20,868)	64,495	7,765	881,412
Total comprehensive loss for the year	(1,287,323)	(2,209,635)	(3,096,048)	(2,892,844)	(3,300,229)
Employment of funds					
Property, plant & equipment	4,495,178	4,525,257	4,545,160	4,596,553	4,780,037
Investment property	347,175	350,845	355,622	-	-
Other non current asset	444,523	428,216	385,048	288,621	192,081
Net current liabilities	(14,760,626)	(13,442,662)	(11,287,352)	(7,392,696)	(4,451,877)
Non-current liabilities	(9,647)	(57,730)	(42,208)	(440,161)	(560,979)
Net liabilities	(9,483,397)	(8,196,074)	(6,043,730)	(2,947,683)	(40,738)
Funds employed					
Ordinary shares	588,177	588,177	588,177	588,177	588,177
Share premium account	409,862	409,862	409,862	409,862	409,862
Revaluation reserve	2,864,778	2,864,778	2,864,778	2,864,778	2,864,778
Loss sustained	(13,346,214)	(12,058,891)	(9,906,547)	(6,810,500)	(3,918,241)
Non-controlling interest	-	-	-	-	14,686
	(9,483,397)	(8,196,074)	(6,043,730)	(2,947,683)	(40,738)
Basic/diluted (loss) per share (Naira)	(2.19)	(3.76)	(5.26)	(4.92)	(5.61)
Net liabilities per share (Naira)	(16.12)	(13.93)	(10.28)	(5.01)	(0.07)

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

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

UNCLAIMED DIVIDENDS, E-DIVIDEND AND E-BONUS

E-Dividend/Unclaimed Dividends

The Securities and Exchange Commission Nigeria ("SEC") as the apex regulator of the Nigerian Capital Market and in furtherance of its investor protection and market development mandate had directed the discontinuance of the issuance of physical dividend warrants by public companies with effect from December 31, 2017. The payment of dividends are now to be done solely by e-dividend whereby payments will be made electronically to the bank accounts of the concerned shareholders. All shareholders who are not registered for e-dividend are advised to fill the E-Dividend Mandate Activation Form in this report and submit same to the Registrars for the collection of their unclaimed dividends and subsequent dividends electronically. We advise all shareholders to write our Registrars for their unclaimed dividends. The list of unclaimed dividends are available on our website and that of our Registrars.

The unclaimed dividends as at 31st December, 2019 are as follows:

Dividend	Date Paid	N'000
24	25/04/2008	23,504,773.69
25	15/05/2009	23,705,640.99
26	28/05/2010	7,207,516.90
27	27/05/2011	8,169,609.98
28	29/06/2012	13,317,509.38
TOTAL		75,905,090.94

Electronic Dispatch of Annual Reports

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

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

Complaints Management Policy

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

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

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

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

Telephone Lines:
01– 4537694, 01– 4537695

Telephone Lines:
+234 (1) 2809250-3

e-mail address:
Briscoemail@rtbriscoe.com

e-mail address
info@meristemregistrars.com

Website:
www.rtbriscoe.com

Website:
www.meristemregistrars.com

E-DIVIDEND MANDATE ACTIVATION FORM

**Affix
Current
Passport**

(To be stamped by Bankiers)
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 and Probate Services 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 R.T Briscoe (Nigeria) Plc 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, Falomo Ikoyi, Lagos.

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

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

Website: www.meristemregistrars.com

PROXY AND ADMISSION FORMS

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

ANNUAL GENERAL MEETING to be at held at 11.00 a.m. on Thursday, the 26th of November, 2020 at 18, FATAI ATERE WAY, MATORI, LAGOS.

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

**.....
Sir Sunday Nnamdi Nwosu or failing him, Mr. Bukola Oluseyi Onajide or failing him, Mr. Akin Ajayi or failing him, Dr. Adewale Olawoyin, SAN or failing him, Alhaji Ali Safiyaru Madugu, mni or failing him, Mr. Adeniyi A. Adebisi or failing him, Mr. Matthew Akinlade or failing him, Dr. Anthony Omojola as my/our proxy to vote for me/us at the General Meeting of the Company to be held on 26th November, 2020 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..... 2020.

Signed:.....

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

**Please delete the inapplicable names.

NUMBER OF SHARES HELD:

Resolutions	For	Against
To re-elect as directors: 1. Sir Sunday Nnamdi Nwosu, KSS, GCOA, MloD 2. Dr. A. Olawoyin, SAN 3. Mrs. Folashade 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 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.		

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 26th of November, 2020 at 18, FATAI ATERE WAY, MATORI, 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 Macaulay Way, Adekunle, Yaba

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

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

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

Website: www.meristemregistrars.com

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This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

BRANCHES: ABUJA // ASABA // KANO // LEKKI // PORT HARCOURT // VICTORIA ISLAND



R.T. BRISCOE (NIGERIA) PLC
RC 1482

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