JOHN HOLT PLC
AND ITS SUBSIDIARY COMPANIES
FINANCIAL STATEMENTS
30 SEPTEMBER 2016

BDO

BDO

Tel: +234 1 4483050, 7941667
www.bdo-ng.com

ADOL House
15 CIPM Avenue
Central Business District
Alausa, Ikeja
P.O.Box 4929, GPO, Marina
Lagos, Nigeria

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF JOHN HOLT PLC AND ITS SUBSIDIARY COMPANIES

We have audited the accompanying separate and consolidated financial statements of John Holt Plc (**"the Company"**) and its subsidiary Companies (**"together the group"**). These financial statements comprise the consolidated and separate statements of financial position as at 30 September 2016, 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 the significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

2. The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and in compliance with relevant provisions of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, CAP C20 LFN 2004. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

3. Our responsibility is to express an independent opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

BDO

Opinion

4. In our opinion, the financial statements give a true and fair view of the state of affairs of the Company's financial position as at 30 September 2016 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria Act No 6, 2011 and the Companies and Allied Matters Act, CAP C20 LFN, 2004.

Emphasis of matter

5. Without qualifying our opinion, we draw your attention to note 41 to the financial statements which indicates that though the Company made a profit before taxation of N311 million (Group: N204 million) during the year ended 30 September 2016 (2015: Loss of N311 million, Group: N171 million) and as at that date its current assets exceeded its current liabilities by N649 million (2015:Net current liabilities of N690 million) but had accumulated losses of N3.9 billion (2015: N4.3 billion) and a negative shareholders' funds of N3.3 billion (2015:N3.6 billion). As at the same date, the Group's current assets exceeded its current liabilities by N108 million (2015: Net current liabilities of N1.2 billion). However, the Group had a positive shareholders' funds of N3.3 billion (2015:N3.2 billion). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Report on other legal requirements

6. The Companies and Allied Matters Act, CAP C20 LFN, 2004 requires that in carrying out our audit, we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) in our opinion, proper books of account have been kept by the Company; and

iii) 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.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A1238224

Ebenezer O. Olabisi
FRC/2012/ICAN/00000000104
For: BDO Professional Services
Chartered Accountants

Lagos, Nigeria
30 December 2016

JOHN HOLT PLC
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

		Group		Company	
	Notes	2016 N'm	2015 N'm	2016 N'm	2015 N'm
Revenue	11	2,665	2,425	2,619	2,379
Cost of sales	12	(1,772)	(1,770)	(1,768)	(1,765)
Gross profit		893	655	851	614
Other operating income	13	480	983	449	722
Exchange loss		(44)	(528)	(44)	(528)
Distribution expenses		(343)	(368)	(279)	(311)
Administrative expenses		(636)	(682)	(520)	(577)
Profit/(loss) from operating activities		350	60	457	(80)
Finance income	14(i)	-	-	-	-
Finance costs	14(ii)	(146)	(231)	(146)	(231)
Net finance costs		(146)	(231)	(146)	(231)
Profit/(loss) before taxation		204	(171)	311	(311)
Current tax expense	16	(99)	(57)	(11)	(2)
Deferred tax charge	16	(8)	(26)	(4)	(18)
Profit/(loss) for the year		97	(254)	296	(331)
Profit/(loss) for the year attributable to:					
Owners of the parent		97	(254)	296	(331)
Non-controlling interest		-	-	-	-
		97	(254)	296	(331)
Earnings/(loss) per share attributable to the ordinary equity holders of the parent (Kobo)	17	24.87	(65.13)	75.90	(84.87)

The accompanying explanatory notes on pages 9 to 46 and other national disclosures on pages 47 to 49 form an integral part of these financial statements.

Auditors' report, pages 1 and 2

JOHN HOLT PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2016

		Group		Company	
	Notes	2016 N'm	2015 N'm	2016 N'm	2015 N'm
Profit/(loss) after taxation		97	(254)	296	(331)
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
(Deficit)/surplus on revaluation of property, plant and equipment	34(iii)	(2)	99	8	26
Actuarial gain on defined benefit plan	36	-	-	-	-
Items that may be reclassified subsequently to profit or loss					
Fair value changes on available-for-sale assets	35	(1)	(3)	(1)	(3)
Total other comprehensive (loss)/income		(3)	96	7	23
Total comprehensive income/(loss)		94	(158)	303	(308)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		94	(158)	303	(308)
Non-controlling interest		-	-	-	-
		94	(158)	303	(308)

The accompanying explanatory notes on pages 9 to 46 and other national disclosures on pages 47 to 49 form an integral part of these financial statements.

Auditors' report, pages 1 and 2

JOHN HOLT PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2016

		Group		Company	
		2016	2015	2016	2015
Assets	Notes	N'm	N'm	N'm	N'm
Non-current assets					
Property, plant and equipment	18	1,567	1,601	682	707
Investment properties	19	5,419	6,051	2,720	2,682
Assets under finance lease	20	69	9	69	9
Deferred taxation	21(i)	1,298	1,303	1,298	1,303
Investment in subsidiaries	22	-	-	20	20
Available-for-sale financial assets	23(ii)	6	7	6	7
Total non-current assets		8,359	8,971	4,795	4,728
Current assets					
Inventories	25	352	238	352	238
Trade and other receivables	26	677	309	677	309
Cash and cash equivalents	27	196	67	196	67
Due from related party	32(iv)	2,501	1,336	2,501	1,336
Total current assets		3,726	1,950	3,726	1,950
Liabilities					
Current liabilities					
Trade and other payables	28	1,788	1,565	1,689	1,424
Dividend payable	29	4	4	4	4
Loans and borrowings	30	1,086	1,015	1,086	1,015
Employee benefits	31(i)	149	138	149	138
Taxation payable	16(ii)	487	422	45	35
Due to related party	32	104	24	104	24
Total current liabilities		3,618	3,168	3,077	2,640
Net current assets/(liabilities)		108	(1,218)	649	(690)
Non-current liabilities					
Deferred taxation	21(ii)	414	410	-	-
Employee benefits	31(ii)	-	167	-	167
Loans and borrowings	30	-	423	-	423
Due to related parties	32(iii)	4,771	3,565	8,753	7,060
Total non-current liabilities		5,185	4,565	8,753	7,650
Net assets/(liabilities)		3,282	3,188	(3,309)	(3,612)
Equity and reserves					
Share capital	33	195	195	195	195
Property revaluation reserve	34	457	529	348	410
Available for sale reserve	35	5	6	5	6
Reserve on actuarial valuation of defined benefit plan	36	-	90	-	90
Revenue reserve	37	2,625	2,368	(3,857)	(4,313)
Total equity and reserves		3,282	3,188	(3,309)	(3,612)

The consolidated financial statements on pages 3 to 49 were approved by the Board of Directors on 30 December 2016 and signed on its behalf by:

i) Chief C.I Ezeh .... Chairman
FRC/2013/ICAN/00000001833

ii) Dr. Christopher Ezeh .... Group Managing Director
FRC/2017/IODN/00000016475

iii) Mr. Adeche Okeje .... Chief Finance Officer
FRC/2013/ICAN/00000005141

The accompanying explanatory notes on pages 9 to 46 and other national disclosures on pages 47 to 49 form an integral part of these financial statements.

Auditors' report, pages 1 and 2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Group	Issued share capital	Available for sale reserve	Revaluation reserve	Reserve on actuarial valuation of defined benefit plan	Revenue reserve	Total equity
	N'm	N'm	N'm	N'm	N'm	N'm
At 1 October 2015						
- as previously stated	195	6	529	90	2,368	3,188
Surplus on revaluation of property transferred to revenue reserve (note 34)	-	-	(70)	-	70	-
- as restated	195	6	459	90	2,438	3,188
Profit for the year	-	-	-	-	97	97
Other comprehensive income						
Deficit on revaluation of property (Note 34 (iii))	-	-	(2)	-	-	(2)
Fair value loss on available-for-sale financial assets (Note 23 (ii))	-	(1)	-	-	-	(1)
Total comprehensive (loss)/income for the year	-	(1)	(2)	-	97	94
Contributions by and distributions to owners:						
Dividends paid during the year	-	-	-	-	-	-
Reserve on actuarial valuation of defined benefit plan transferred to revenue reserve (notes 36 and 37)	-	-	-	(90)	90	-
Total contributions by and distributions to owners	-	-	-	(90)	90	-
At 30 September 2016	195	5	457	-	2,625	3,282
At 1 October 2014						
- as previously stated	195	9	1,492	90	1,553	3,339
Surplus on revaluation of property transferred to revenue reserve (note 34)	-	-	(1,062)	-	1,062	-
- as restated	195	9	430	90	2,615	3,339
Surplus on asset disposed of during the year (Note 37)	-	-	-	-	7	7
Loss for the year	-	-	-	-	(254)	(254)
Other comprehensive income						
Surplus on revaluation of property (Note 34 (iii))	-	-	99	-	-	99
Fair value loss on available-for-sale financial assets (Note 23 (ii))	-	(3)	-	-	-	(3)
Total comprehensive (loss)/income for the year	-	(3)	99	-	(254)	(158)
Contributions by and distributions to owners:						
Dividends paid during the year	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-
At 30 September 2015	195	6	529	90	2,368	3,188

The accompanying explanatory notes on pages 9 to 46 and other national disclosures on pages 47 to 49 form an integral part of these financial statements.

Auditors' report, pages 1 and 2

JOHN HOLT PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Company	Issued share capital	Available for sale reserve	Revaluation reserve	Reserve on actuarial valuation of defined benefit plan	Revenue reserve	Total equity
	N'm	N'm	N'm	N'm	N'm	N'm
At 1 October 2015						
- **as previously stated**	195	6	410	90	(4,313)	(3,612)
Surplus on revaluation of property transferred to revenue reserve (note 34)	-	-	(70)	-	70	-
- **as restated**	195	6	340	90	(4,243)	(3,612)
Profit for the year	-	-	-	-	296	296
Other comprehensive income:						
Surplus on revaluation of property (Note 34(iii))	-	-	8	-	-	8
Fair value loss on available-for-sale financial assets (Note 23 (ii))	-	(1)	-	-	-	(1)
Total comprehensive (loss)/income for the year	-	(1)	8	-	296	303
Contributions by and distributions to owners:						
Dividends paid during the year	-	-	-	-	-	-
Reserve on actuarial valuation of defined benefit plan transferred to revenue reserve (note 36)	-	-	-	(90)	90	-
Total contributions by and distributions to owners	-	-	-	(90)	90	-
At 30 September 2016	195	5	348	-	(3,857)	(3,309)
At 1 October 2014	195	9	384	90	(3,982)	(3,304)
Loss for the year	-	-	-	-	(331)	(331)
Other comprehensive income:						
Surplus on revaluation of property (Note 34(iii))	-	-	26	-	-	26
Fair value loss on available-for-sale financial assets (Note 23(ii))	-	(3)	-	-	-	(3)
Actuarial gain on defined benefit plan (Note 36)	-	-	-	-	-	-
Total comprehensive income for the year	-	(3)	26	-	(331)	(308)
Contributions by and distributions to owners:						
Dividends paid during the year	-	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-	-
At 30 September 2015	195	6	410	90	(4,313)	(3,612)

The accompanying explanatory notes on pages 9 to 46 and other national disclosures on pages 47 to 49 form an integral part of these financial statements.

Auditors' report, pages 1 and 2

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	Group 2016 N'm	Group 2015 N'm	Company 2016 N'm	Company 2015 N'm
Cash flows from operating activities					
Cash received from customers		2,453	2,694	2,407	2,648
Payments to suppliers and employees		(2,279)	(2,309)	(1,729)	(2,047)
Input VAT		78	98	78	98
Output VAT		(80)	(100)	(79)	(99)
Tax paid	16(ii)	(34)	(5)	(1)	-
Net cash inflow from operating activities	40	138	378	676	600
Cash flows from investing activities					
Purchase of property, plant and equipment	18	(6)	(30)	(5)	(26)
Purchase of investment properties	19	-	(2)	-	(2)
Purchase of assets under finance lease	20	(69)	-	(69)	-
Proceeds from disposal of investment properties		539	-	-	-
Proceeds from sale of property,plant and equipment		1	242	1	16
Net cash inflow/(outflow) from investing activities		465	210	(73)	(12)
Cash flows from financing activities					
Loan obtained	30	-	320	-	320
Loan repayments	30	(827)	(297)	(827)	(297)
Import finance facilities obtained	30	968	829	968	829
Repayment of import finance facilities	30	(466)	(1,255)	(466)	(1,255)
Repayment of finance leases	30	(7)	(10)	(7)	(10)
Finance costs	14(ii)	(146)	(231)	(146)	(231)
Net cash outflow from financing activities		(478)	(644)	(478)	(644)
Net increase/(decrease) in cash and cash equivalents		125	(56)	125	(56)
Cash and cash equivalents at 1 October		48	104	48	104
Cash and cash equivalents at 30 September	27	173	48	173	48

The accompanying explanatory notes on pages 9 to 46 and other national disclosures on pages 47 to 49 form an integral part of these financial statements.

Auditors' report, pages 1 and 2

JOHN HOLT PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Corporate information and principal activities

John Holt Plc was incorporated on 28 August 1961 in Nigeria as a Limited Liability Company. The Company was listed on the Nigerian Stock Exchange in May 1974. John Holt Plc is a subsidiary of John Holt & Company (Liverpool) Limited, UK. 53 per cent of the issued share capital of the Company is owned by John Holt & Company (Liverpool) Limited, UK, while 47 per cent is owned by Nigerian individuals and corporate investors.

The principal activities of the group are the assembly, sale, leasing and servicing of power and cooling equipment; sale and servicing of fire fighting vehicles and equipment; boat building, sale and servicing of marine equipment; marine transport; warehousing and distribution services; property services and construction.

Its registered office is at Plot 1609, Adeola Hopewell Street, Victoria Island, Lagos.

2 Basis of preparation

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2004.

The financial statements were authorised for issue by the Board of Directors on 30 December 2016.

b. Basis of measurement

The group financial statements have been prepared on the historical cost basis except for the following:

- Investment property is measured at fair value
- Leasehold land and buildings are measured at revalued amounts
- Available for sale financial assets are measured at fair value.

c. Functional and presentation currency

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

d. Use of estimates and judgement

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

3 New standards, amendments and interpretation issued but not yet adopted by the Group

The following new or amended accounting standards and interpretations have been issued, but are not mandatory for financial year ended 30 September 2016. They have not been adopted in preparing the financial statements for the year ended 30 September 2016 and are expected to affect the Company in the period of initial application. In all cases the Group intends to apply these standards from application date as indicated in the table below:

Standards and amendments issued but yet to take effect

IFRS reference	Title and Affeced standard(s)	Nature of Change	Application date	Impact on Initial Application
IFRS 9 (issued November 2009 and amended October 2010)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in IAS 39 have been eliminated. Under IFRS 9, there are three categories of financial assets: i) Amortised cost ii) Fair value through profit or loss iii) Fair value through other comprehensive income The following requirements have generally been carried forward unchanged from IAS 39 *Financial Instruments: Recognition and Measurement* into IFRS 9: i) Classification and measurement of financial liabilities ii) Derecognition requirements for financial assets and liabilities. However, IFRS 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the fair value of a financial liability that is designated at fair value through profit or loss (using the fair value option) that relate to changes in the reporting entity's own credit risk are normally recognised in other comprehensive income. The changes are to be applied prospectively from the date of adoption.	Periods beginning on or after 1 January 2018	The group has financial assets classified as available-for-sale. When IFRS 9 is first adopted, the entity will reclassify these into the fair value through profit or loss category. On 1 January, 2018, the cumulative fair value changes in the available-for-sale reserve will be reclassified into retained earnings and subsequent fair value changes will be recognised in profit or loss. These changes apply prospectively so comparatives do not need to be restated. The entity has financial liabilities designated at fair value through profit or loss. The amendments require that for those financial liabilities, any changes in fair value attributable to the liability's credit risk are normally recognised in other comprehensive income instead of profit or loss.
IFRS 9 (amended December 2011)	Amendments to IFRS 9 *Financial Instruments* Mandatory Effective Date of IFRS 9 and Transition Disclosures	Defers the effective date of IFRS 9 to 1 January 2018. Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.	Annual reporting periods commencing on or after 1 January 2018	As comparatives are no longer required to be restated, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required on transition, including the quantitative effects of reclassifying financial assets on transition.

IFRS reference	Title and Affeced standard(s)	Nature of Change	Application date	Impact on Initial Application
IFRS 9 (amended December 2011) (cont'd)		Additional disclosures required in relation to information about rights of offset and related arrangements for financial instruments under an enforceable master netting arrangement (or similar arrangment) Minimum disclosure requirements, in a tabular format that splits financial assets and financial liabilities, are: (a) Gross financial assets and liabilities under a master netting (or similar) agreement (b) The amounts offset under IAS 32 (c) The net amount presented in the statement of financial position (i.e. (a) - (b)) (d) The amounts subject to an enforceable master netting agreement (or similar) not included in the amount offset under IAS 32 (i.e. (b), being those that fail to meet the offsetting criteria as well as those related to financial collateral (e) The net of (d) less (c) (d). Also required is the description of the nature of the right of set-off, in relation to amount presented under (d) above.		
IFRS 15 Issued in May 2014	Revenue from contracts with customers	IFRS 15 contains comprehensive guidance for accounting for revenue and will replace existing requirements which are currently set out in a number of Standards and Interpretations. The standard introduces significantly more disclosures about revenue recognition and it is possible that new and/or modified internal processes will be needed in order to obtain the necessary information. The Standard requires revenue recognised by an entity to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework: (i) Identify the contract(s) with a customer (ii)Identify the performance obligations in the contract.	1 January 2018	The Board is currently reviewing the impact the standard may have on the preparation and presentation of the financial statements when the standard is adopted. Consideration will be given to the following: (i)At what point in time the company recognises revenue from each contract whether at a single point in time or over a period of time; (ii) whether the contract needs to be 'unbundled' into two or more components; (iii)how should contracts which include variable amounts of consideration be dealt with; (iv)what adjustments are required for the effects of the time value of money; (v) what changes will be required to the company's internal controls and processes.

IFRS reference	Title and Affeced standard(s)	Nature of Change	Application date	Impact on Initial Application
		(iii) Determine the transaction price (iv) Allocate the transaction price to the performance obligations in the contract (v)Recognise revenue when (or as) the entity satisfies a performance obligation.		
IFRS 16 issued in January 2016	Leases	IFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. **Accounting by lessees** Upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. After lease commencement, a lessee shall measure the right-of-use asset using a cost model, unless: i) the right-of-use asset is an investment property and the lessee fair values its investment property under IAS 40; or ii) the right-of-use asset relates to a class of PPE to which the lessee applies IAS 16's revaluation model, in which case all right-of-use assets relating to that class of PPE can be revalued. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.	Annual reporting periods beginning on or after 1 January 2019	The Company is still reviewing the impact the standard may have on the preparation and presentation of the financial statements when the standard is adopted in 2019.

IFRS reference	Title and Affeced standard(s)	Nature of Change	Application date	Impact on Initial Application
		The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate. The lease liability is subsequently re-measured to reflect changes in: o the lease term (using a revised discount rate); o the assessment of a purchase option (using a revised discount rate); o the amounts expected to be payable under residual value guarantees (using an unchanged discount rate); or o future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate). The re-measurements are treated as adjustments to the right-of-use asset. **Accounting by lessor** Lessor shall continue to account for leases in line with the provision in IAS 17.		

4 Critical accounting estimates and judgements

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

i) Income and deferred taxation

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

ii) Impairment of property, plant and equipment

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

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

iii) Legal proceedings

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

5 Consolidation

i) Subsidiaries

The financial statements of subsidiaries are consolidated from the date the Company acquires control, up to the date that such effective control ceases. For the purpose of these financial statements, subsidiaries are entities over which the Company, directly or indirectly, has the power to govern the financial and operating policies so as to obtain benefits from their activities.

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

ii) Changes in ownership interests in subsidiaries without change of control

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

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

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

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

iv) **Disposal of subsidiaries**

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

6 **Summary of significant accounting policies**

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

(a) **Going concern**

The directors assess the Company's and its subsidiaries' future performance and financial position on a going concern basis and have no reason to believe that the Company will not be a going concern in the year ahead as indicated in note 41. For this reason, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

(b) **Foreign currency**

Foreign currency transactions

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

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

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

(c) **Revenue recognition**

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

i) **Sale of goods**

Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, 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 believed to be transferred to the buyer at the point of delivery to the buyer.

ii) **Rental income**

Rental income is accounted for on a time proportion of the lease terms.

iii) **Finance income and finance costs**

Net finance cost includes interest expense on borrowings as well as interest income on funds invested.

Net finance cost also includes other finance income and expense, such as exchange differences on loans and borrowings and unwinding of the discount on provisions. Certain borrowing costs are capitalised as explained under the section on Property, Plant and Equipment. Others that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss.

Foreign currency gains and losses are reported on a net basis.

iv) **Other income**

This comprises profit from sale of financial assets, profit from sale of property,plant and equipment, profit from sale of scraps and impairment loss no longer required, changes in fair value of non financial assets at fair value through profit or loss.

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

(d) **Expenditure**

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

The Group classifies it expenses as follows:

- Cost of sales;
- Selling and Distribution expenses;
- Administration expenses;
- Finance costs.

(e) **Income tax expenses**

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

(f) **Earnings per share**

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

(g) **Property, plant and equipment**

Items of property, plant and equipment are initially recognised at cost and are subsequently carried at cost (or revalued amount for leasehold land and buildings) less subsequent accumulated depreciation and impairment losses. The cost of property plant and equipment includes expenditures that are directly attributable to the acquisition of the asset.

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

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

Depreciation

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

Leasehold land	Nil
Leasehold buildings	2%
Computers	$33^1/_3$%
Plant and equipment	10%
Motor vehicles	25%
Marine vessels	25%
Furnitures and fittings	10%
Air-conditioners	$16\ ^2/3$%
Outboard engines	25%
Lease assets	Period of operating lease down to a transfer value

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

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

- **Derecognition**

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

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

(h) Investment Properties

An investment property is an investment in land or building held primarily for generating income or capital appreciation and not occupied substantially for use in the operations of the company and its subsidiaries. Also, qualify as an investment property are the land held for a currently undetermined use that is the Group has not determined that it will use the land as owner-occupied property or for short term sale in ordinary course of business, and a building that is vacant but held to be leased out under one or more operating leases.

Investment properties are carried in the statement of financial position at their market value and revalued at regular interval on a systematic basis at least once in every two years.

An external, independent valuer, having appropriate recognised professional qualifications, certified by the Financial Reporting Council (FRC) of Nigeria and with recent experience in the location and category of the investment properties being valued, values the Group's investment properties.The fair value are based on market value, being the estimated amount for which a property could be sold between market participant at a measurement date.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the property) is recognised in the profit or loss component of the consolidated statement of comprehensive income in the period of the derecognition.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Investment properties are not subject to periodic charge for depreciation.

(i) Leases

i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

ii) **Finance lease**

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non current borrowings. The interest element is expensed over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(j) **Impairment of non-financial assets**

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

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

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

(k) **Financial Assets**

The Group classifies its financial assets into the following categories: Available-for-sale and loans and receivables. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

i) **Available -for-sale investments**

Available-for-sale financial assets are non-derivative financial assets that are classified as available-for-sale and not as loans and receivables which may be sold by the company in response to its need for liquidity or changes in interest rates, exchange rates or equity prices. They include investment in unquoted shares. These investments are initially recognised at cost. After initial recognition or measurement, available-for-sale financial assets are subsequently measured at fair value using 'net assets valuation basis'. Fair value gains and losses are reported as a separate components in other comprehensive income until the investment is derecognised or the investment is determined to be impaired.

On derecognition or impairment, the cumulative fair value gains and losses previously reported in equity are transferred to the statement of profit or loss and other comprehensive income.

ii) **Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market: Such assets are recognised initially at fair value plus any directly attributable transaction cost. Financial assets classified as loans and receivables are subsequently measured at amortized cost using the effective interest method less any impairment losses. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents.

iii) **Trade and other receivables**

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. If collection is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Discounting is ignored if insignificant. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company and or its subsidiaries will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that debtor will enter bankruptcy and default or delinquency in payment, are the indicators that a trade and other receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income within the administrative cost.

The amount of the impairment provision is the difference between the asset's nominal value and the recoverable value, which is the present value of estimated cash flows, discounted at the original effective interest rate. Changes to this provision are recognised under administrative costs.

When a trade receivable is uncollectable, it is written off against the provision for trade receivables.

iv) **Cash and cash equivalents**

For the purposes of statement of cash flows, cash comprises cash in hand and deposits held at call with banks and other financial institutions. Cash equivalents comprise highly liquid investments (including money market funds) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value with original maturities of three months or less being used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(l) **Impairment of financial assets**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.
Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgments as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(m) **Prepayments**

Prepayments are payments made in advance relating to the future years and are recognised and carried at original amount less amounts utilised in the statement of profit or loss and other comprehensive income.

(n) **Inventories**

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

Cost is determined as follows:

i) **Raw materials**

Raw materials which include purchase cost and other costs incurred to bring the materials to their location and condition are valued using a standard cost reviewed from time to time in line with the trends.

ii) **Work in progress**

Cost of work in progress includes cost of raw materials, labour, production and attributable overheads based on normal operating capacity. Work in progress is valued using actual cost incurred to the stage of work in progress.

iii) **Finished goods**

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

iv) **Spare parts and consumables**

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

All standard costs are always adjusted to the actual costs upon the receipt of the actual invoice and the confirmation of other incidental costs. Allowance is made for obsolete, slow moving or defective items where appropriate.

(o) **Financial liabilities**

Financial liabilities are initially recognised at fair value when the Company and its subsidiaries become a party to the contractual provisions of the liability. Subsequent measurement of financial liabilities is based on amortized cost using the effective interest method. The Group financial liabilities include: trade and other payables. Financial liabilities are presented as if the liability is due to be settled within 12 months after the reporting date, or if they are held for the purpose of being traded. Other financial liabilities which contractually will be settled more than 12 months after the reporting date are classified as non-current.

(p) **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

- **Derecognition of financial liabilities**

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

(q) **Provisions**

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

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

(r) **Borrowings**

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

(s) **Borrowing costs**

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

(t) **Contingent liability**

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

(u) **Related party transactions or insider dealings**

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

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

(v) **Employee benefits**

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

i) **Defined contribution pension scheme**

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

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

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

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

ii) **Gratuity scheme**

The company has a defined contribution gratuity scheme for management and non-management staff. The gratuity scheme is unfunded. Benefits payable to employees on retirement or resignation are accrued over the service life of the employee concerned based on employee's condition of service. The charge to the profit or loss is based on independent actuarial valuation performed where necessary using the projected unit credit method. Actuarial gains or losses arising are charged to other comprehensive income in the year in which they arise.

(s) **Borrowing costs**

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

(t) **Contingent liability**

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

(u) **Related party transactions or insider dealings**

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

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

(v) **Employee benefits**

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

i) **Defined contribution pension scheme**

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

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

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

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

ii) **Gratuity scheme**

The company has a defined contribution gratuity scheme for management and non-management staff. The gratuity scheme is unfunded. Benefits payable to employees on retirement or resignation are accrued over the service life of the employee concerned based on employee's condition of service. The charge to the profit or loss is based on independent actuarial valuation performed where necessary using the projected unit credit method. Actuarial gains or losses arising are charged to other comprehensive income in the year in which they arise.

iii) **Short-term benefits**

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

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

(w) **Income Taxes - Company income tax and deferred tax liabilities**

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

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

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

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

(x) **Share capital and Share premium**

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

(y) **Dividend on ordinary shares**

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

(z) **General reserve**

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

(aa) **Off Statement of financial position events**

Transactions that are not currently recognized as assets or liability in the statement of financial position but which nonetheless give rise to credit risks, contingencies and commitments are reported off statement of financial position. Such transactions include letters of credit, bonds and guarantees, indemnities, acceptances and trade related contingencies such as documentary credits. Outstanding unexpired commitments at the year-end in respect of these transactions are shown by way of note to the financial statements.

(ab) **Effective Interest Method**

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

(ac) **Segment reporting**

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

7 **Determination of fair value**

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

i) **Property, plant and equipment**

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

ii) **Investment Property**

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location values the group's landed property. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction.

iii) **Valuation of Available for sale financial assets**

The fair value of investments in equity are determined with reference to their quoted closing bid price at the measurement date, or if unquoted, determined using a valuation technique.

iv) **Fair value hierarchy**

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

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

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

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

8 Financial risk management

General

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

The Company and its subsidiaries have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

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

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

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

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

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

	Group		Company	
	2016	2015	2016	2015
	N'm	N'm	N'm	N'm
Trade and other receivables	677	309	677	309
Cash and cash equivalents	196	67	196	67
	873	376	873	376

As at the reporting date there is no concentration of credit risk with a particular customer.

Cash is held with the following institutions:

	Group		Company	
	2016	2015	2016	2015
	N'm	N'm	N'm	N'm
United Bank for Africa Plc	16	3	16	3
Fidelity Bank Plc	153	55	153	55
Zenith Bank Plc	12	2	12	2
First Bank of Nigeria Limited	1	-	1	-
Other financial institutions	14	7	14	7
	196	67	196	67

Liquidity risk

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

As at 30 September 2016	Group				
	Book value	Contractual cashflow	One year or less	1-5 years	More than 5 years
	N'm	N'm	N'm	N'm	N'm
Loans and borrowings	1,086	1,086	1,086	-	-
Trade and other payables	1,788	1,788	1,788	-	-
Dividend payable	4	4	4	-	-
Due to related parties	4,875	4,875	104	4,771	-
	7,753	7,753	2,982	4,771	-

As at 30 September 2015	Group				
	Book value	Contractual cashflow	One year or less	1-5 years	More than 5 years
	N'm	N'm	N'm	N'm	N'm
Loans and borrowings	1,438	1,438	1,015	423	-
Trade and other payables	1,565	1,565	1,565	-	-
Dividend payable	4	4	4	-	-
Due to related parties	3,589	3,589	24	3,565	-
	6,596	6,596	2,608	3,988	-

Market risk

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

Foreign exchange risk

The functional currency of the Group is the Nigerian Naira.

Foreign exchange risk arises when the Group enters into transactions denominated in a currency other than its functional currency. The Group's policy is, where possible, to allow entities to settle liabilities denominated in its functional currency with the cash generated from its own operations in that currency. Where entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash is sought for from the open market and this exposes the entities to foreign exchange risk.

In order to monitor the continuing effectiveness of this policy, the Board receives a monthly forecast, analysed by the major currencies held by the Group, of liabilities due for settlement and expected cash reserves.

The Group is exposed to foreign exchange risk when there are intercompany transactions with John Holt & Company (Liverpool) Ltd, UK. These transactions are usually denominated in US dollar or Pounds (£). These cause gains or losses during the conversion. The Group maintains Pounds (£) domiciliary account with Eco Bank Nigeria Limited and Sterling Bank Plc and domiciliary US dollar account with Fidelity Bank Plc and Union Bank of Nigeria Plc.

	Assets		Liabilities	
	2016	2015	2016	2015
	N'm	N'm	N'm	N'm
US dollars	2,324	675	130	3,836
Pounds	225	893	4,996	-

Sensitivity analysis

Analysed below is the Group's sensitivity to a 5% depreciation or appreciation in the Naira against the US dollar. The analysis shows the effect of the changes on the Group's profit before tax.

5% Depreciation in Naira against US Dollar	Gain	Loss	Net effect
	N'm	N'm	N'm
Assets	116	-	116
Liabilities	-	(7)	(7)
Net loss	116	(7)	109

5% Appreciation in Naira against US Dollar	Gain	Loss	Net effect
	N'm	N'm	N'm
Assets	-	(116)	(116)
Liabilities	7	-	7
Net gain	7	(116)	(109)

Sensitivity analysis shows that the Group's profit before tax would have been N110 million higher or lower if the Naira had depreciated or appreciated against US Dollar by 5%.

Analysed below is the Group's sensitivity to a 5% depreciation or appreciation in the Naira against the Pounds. The analysis shows the effect of the changes on the Group's profit before tax.

5% Depreciation in Naira against Pounds	Gain	Loss	Net effect
	N'm	N'm	N'm
Assets	11	-	11
Liabilities	-	(250)	(250)
Net loss	11	(250)	(239)

5% Appreciation in Naira against Pounds	Gain	Loss	Net effect
	N'm	N'm	N'm
Assets	-	(11)	(11)
Liabilities	250	-	250
Net gain	250	(11)	239

Sensitivity analysis shows that the Group's profit before tax would have been N239 million higher or lower if the Naira had depreciated or appreciated against Pounds by 5%.

Interest rate risk

The Group adopts a policy of ensuring that a significant element of its exposure to changes in interest rates on borrowings is on a fixed rate basis. This is achieved by entering into loan arrangements with mixed interest rate sources. Variable interest rates are marked against the ruling CBN interest rates to reduce the risk arising from interest rates. The effective interest rates and the maturity term profiles as at 30 September 2016 of interest-bearing loans, deposits and cash and cash equivalents are stated below:

As at 30 September 2016	Effective interest rate	one year or less	1-5 years	Over 5 years	Total
		N'm	N'm	N'm	N'm
Cash and cash equivalents	14%	196	-	-	196
Borrowings	17%	1,086	-	-	1,086
		1,282	-	-	1,282

Sensitivity analysis

Analysed below is the Group's sensitivity to a 1% increase or decrease in the interest rate. The analysis shows the effect that 1% increase or decrease in the interest rate will have on the Group's profit before tax.

1% increase in interest rate	interest rate	Gain	Loss	Net effect
		N'm	N'm	N'm
Cash and cash equivalents	15%	2	-	2
Borrowings	18%	-	(11)	(11)
Net loss		2	(11)	(9)

1% decrease in interest rate	interest rate	Gain	Loss	Net effect
		N'm	N'm	N'm
Cash and cash equivalents	13%	-	(2)	(2)
Borrowings	16%	11	-	11
Net gain		11	(2)	9

Sensitivity analysis shows that the Group's profit before tax would have been N8 million higher or lower if the interest rate had increased or decreased by 1%.

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

9 **Capital management**
The Group monitors "adjusted capital" which comprises all components of equity (i.e. share capital, revenue reserve, and revaluation reserves).

The Board of Directors' policy is to maintain a strong capital base so as to maintain customer, investor, creditor and market confidence and to support future development of the business. The Board of Directors monitors the debt to capital ratio. The Board of Directors also monitors the level of dividend to be paid to holders of ordinary shares. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the benefits of a sound capital position. There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.
Consistent with others in the industry, the Group monitors capital on the basis of the debt to adjusted capital ratio. This ratio is calculated as net debt to adjusted capital as defined above. Net debt is calculated as total debt (as shown in the consolidated statement of financial position) less cash and cash equivalents. The objective of this strategy is to secure access to finance at reasonable cost by maintaining a high credit rating.

The debt-to-adjusted-capital ratio at 30 September 2016 and at 30 September 2015 is as follows:

	Group		Company	
	2016	2015	2016	2015
	N'm	N'm	N'm	N'm
Loans and borrowings	1,086	1,438	1,086	1,438
Less: cash and cash equivalents	(196)	(67)	(196)	(67)
Net debt	890	1,371	890	1,371
Total equity	3,282	3,188	(3,309)	(3,612)
Debt to adjusted capital ratio (%)	0.27:1	0.43:1	0.27:(1)	0.38:(1)

The decrease in the debt to adjusted capital ratio for the Group during the year resulted primarily from the decrease in debt by N343 million from N1.4 billion in 2015 to N1.1 billion in 2016. This was as a result of settlement of Asset Management Corporation of Nigeria (AMCON) loan during the year.

10 **Segment information**

i) **Divisions, products and services from which reportable segments derive their revenues**

The group has three reportable segments as stated below, which are the group's strategic segments. The strategic segments offer different products and services, and are managed seperately because they require different technology and marketing strategies. For each of the strategic segments, the Group Managing Director (the Chief Operating Decision Maker) reviews internal management reports on a monthly basis. The following summarises the financial operations in each of the group's strategic segments.

Segment 1 - Technical Products and Leasing Services, this consists of:

- Holt Engineering
- Holt Services
- Holt Cooling
- Fire & Safety Solutions
- John Holt Assemblies

Segment 2 -Property,warehousing and central,this consists of:

- Group Head Office
- Merchandising Retail Distribution Services (MRDS)
- John Holt Investment
- JHL division
- West African Drug Company Limited
- John Holt Agricultural Engineers Limited
- JALLCO Limited
- Africa Properties (Nigeria) Limited
- Holt Engineering Limited
- HPL Limited
- Probyn Road Properties Nigeria Limited

Segment 3 - Yamaco

ii) **Segment revenues and results**

The following are the analyses of the Group's strategic revenues and results by reportable segments. Performance is based on segment revenue and operating profit, as included in the internal management reports that are reviewed and measured by the Group Managing Director. Segments' revenues, operating profits and return on management assets are used to measure performance as management believes that such pieces of information are the most relevant in evaluating results of certain segments relative to other entities that operate within these industries.

iii) **Analysis by segments**

- 2016	Technical Products and leasing Services	Yamaco	Property, warehousing and Central	Total
	N'm	N'm	N'm	N'm
Revenue	2,117	214	334	2,665
Cost of sales	(1,560)	(135)	(77)	(1,772)
Gross profit	557	79	257	893
Gross profit percentage	26	37	77	34
- 2015				
Revenue	1,664	406	355	2,425
Cost of sales	(1,398)	(295)	(77)	(1,770)
Gross profit	266	111	278	655
Gross profit percentage	16	27	78	27

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 6. Each segment bears its administrative costs and there are allocations of central administration expenses to the units. This is the measure reported to the Group Managing Director (Chief Operating Decision Maker) for the purposes of assessment of segment performance. The units interest bearing loan is managed by the Group Head Office whereas the cost of financing is apportioned on predetermined parameters as agreed by the management.

iv) **Segment assets, liabilities and Equities**

The following is an analysis of the Group's strategic assets, liabilities and equities by reportable segment:

- 2016	Technical Products and leasing Services	Yamaco	Property, warehousing and Central	Total
	N'm	N'm	N'm	N'm
Total assets	1,134	350	10,601	12,085
Total liabilities	(159)	(249)	(8,395)	(8,803)
Net Assets	975	101	2,206	3,282
- 2015				
Total assets	1,022	270	10,010	11,302
Total liabilities	(156)	(92)	(7,866)	(8,114)
Net Assets	866	178	2,144	3,188

11 **Revenue**	**2016**	**2015**	**2016**	**2015**
	N'm	N'm	N'm	N'm
Sale of finished goods	1,740	1,369	1,740	1,369
Sales of spare parts	17	18	17	18
Services and repairs	472	569	472	569
Direct leasing	102	113	102	113
Property rent and warehousing	334	356	288	310
	2,665	2,425	2,619	2,379

The company generated its revenue from the consolidation of all the divisions as stated above.

12 **Cost of sales**				
	N'm	N'm	N'm	N'm
Finished goods	1,312	1,205	1,312	1,205
Spare parts	11	11	11	11
Service and repairs	336	444	336	444
Direct leasing	37	33	37	33
Property rent and warehousing	76	77	72	72
	1,772	1,770	1,768	1,765

13 **Other operating income**				
	N'm	N'm	N'm	N'm
Gain on disposal of property, plant and equipment	-	6	-	6
Proceeds from sales of scrap	4	62	4	62
Gains from FBN borrowing settled at concessionary amount (Note 30(ii))	-	114	-	114
Gains from AMCON borrowing settled at concessionary amount (Note 30(iii))	152	-	152	-
Provision no longer required	142	87	142	87
Provision for annual bonus no longer required	68	-	68	-
Interest waived and written back on John Holt Liverpool Account	-	233	-	233
Fair value gain on investment property (note 19)	69	440	38	179
Commission received	32	-	32	-
Others	13	41	13	41
	480	983	449	722

	2016	2015	2016	2015
14 Finance income and costs	N'm	N'm	N'm	N'm
i) *Finance income*				
interest income	-	-	-	-
	-	-	-	-
ii) *Finance costs*				
Interest	141	226	141	226
Commission on turnover	3	3	3	3
Other finance charge	2	2	2	2
	146	231	146	231
15 Profit on ordinary activities before taxation				
This is stated after charging:	N'm	N'm	N'm	N'm
Directors' remuneration:				
- Fees	0.05	0.13	0.05	0.13
- Sitting allowance	0.48	1.08	0.48	1.00
- Emoluments as executives	5.40	5.40	5.40	5.40
- Other directors' expenses	8.70	16.80	8.70	16.80
Depreciation of property, plant and equipment:				
- owned assets	38	44	38	43
- leased assets	8	6	8	6
Audit fees	9	9	9	9
16 Taxation				
i) *Per statement of profit or loss*	N'm	N'm	N'm	N'm
Income tax	32	33	-	-
Education tax	12	2	11	2
Capital gain tax	53	22	-	-
Overprovision in prior years- Income tax	-	-	-	-
- Education tax	2	-	-	-
- Capital gain tax	-	-	-	-
Current tax expense	99	57	11	2
Deferred tax charge	8	26	4	18
	107	83	15	20
ii) *Per statement of financial position*				
Opening balance - Income tax	153	125	22	22
- Education tax	2	-	2	-
- Capital gain tax	267	245	11	11
Payments during the year - Income tax	(31)	(5)	(1)	-
- Education tax	(2)	-	-	-
- Capital gain tax	(1)	-	-	-
Charge for the year - Income tax	32	33	-	-
- Education tax	12	2	11	2
- Capital gain tax	53	22	-	-
Overprovision in prior years - Income tax	-	-	-	-
- Education tax	2	-	-	-
- Capital gain tax	-	-	-	-
	487	422	45	35

The charge for taxation has been computed in accordance with the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 as amended to date and the Education Tax Act, CAP E4, LFN 2004 as amended. Deferred taxation is computed using the liability method.

iii) **Reconciliation of tax charge**

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

	2016	2015
Profit/(loss) before tax	311	(311)
Tax at the statutory corporation tax rate of 30%	93	(93)
Effect of income that is exempt from taxation	(20)	(86)
Effect of expenses that are not deductible in determining taxable profit	88	206
Balancing charge	1	5
Adjusted loss	(162)	(32)
Education tax @ 2% of assessable profit	11	2
Deferred tax provisions	4	18
Tax expense recognised in profit or loss	15	20
Effective rate (%)	5	(6)

The tax rate used for 2016 reconciliation above is the corporate tax rate of 30% and 2% (for tertiary education tax) payable by corporate entities in Nigeria on taxable profits under tax law in the country, for the year ended 30 September 2016.

17 **Basic earnings/(loss) per share**

Profit/(loss) for the year (Nm)	97	(254)	296	(331)
Number of shares (Million)	390	390	390	390
Earnings/(loss) per share (kobo)	24.87	(65.13)	75.90	(84.87)

Basic earnings/(loss) per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

18 Property, plant and equipment

	Leasehold Land	Leasehold Buildings	Plant and equipment	Motor vehicles and vessels	Furniture and fittings	Air Conditioners	Computers	Leased Assets	Total
i) Group	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm
Cost/valuation									
At 1 October 2014	889	810	268	91	24	23	15	117	2,237
Additions	-	4	21	-	-	2	1	2	30
Disposals	(78)	(281)	(21)	(26)	(4)	(3)	(2)	(5)	(420)
Revaluation surplus (Note 34(iii))	78	26	-	-	-	-	-	-	104
At 30 September 2015	889	559	268	65	20	22	14	114	1,951
At 1 October 2015	889	559	268	65	20	22	14	114	1,951
Additions	-	1	4	-	-	-	1	-	6
Disposals	-	-	(5)	(2)	-	(1)	(1)	(1)	(10)
Revaluation (deficit)/surplus (Note 34(iii))	(26)	21	-	-	-	-	-	-	(5)
At 30 September 2016	863	581	267	63	20	21	14	113	1,942
Depreciation									
At 1 October 2014	-	-	141	88	16	18	10	89	362
Charge for the year	-	4	25	2	1	2	2	8	44
Disposals	-	-	(17)	(26)	(3)	(2)	(1)	(3)	(52)
Write back on revaluation	-	(4)	-	-	-	-	-	-	(4)
At 30 September 2015	-	-	149	64	14	18	11	94	350
At 1 October 2015	-	-	149	64	14	18	11	94	350
Charge for the year	-	4	23	1	1	1	2	6	38
Disposals	-	-	(4)	(2)	-	(1)	(1)	(1)	(9)
Write back on revaluation	-	(4)	-	-	-	-	-	-	(4)
At 30 September 2016	-	-	168	63	15	18	12	99	375
Carrying amount									
At 30 September 2016	863	581	99	-	5	3	2	14	1,567
At 30 September 2015	889	559	119	1	6	4	3	20	1,601
ii) Company									
Cost/valuation									
At 1 October 2014	323	213	255	91	24	21	14	116	1,057
Additions	-	-	21	-	-	2	1	2	26
Disposals	-	-	(21)	(26)	(4)	(3)	(2)	(5)	(61)
Revaluation surplus (Note 34(iii))	18	6	-	-	-	-	-	-	24
At 30 September 2015	341	219	255	65	20	20	13	113	1,046
At 1 October 2015	341	219	255	65	20	20	13	113	1,046
Additions	-	-	4	-	-	-	1	-	5
Disposals	-	-	(5)	(2)	-	(1)	(1)	(1)	(10)
Revaluation surplus (Note 34(iii))	-	5	-	-	-	-	-	-	5
At 30 September 2016	341	224	254	63	20	19	13	112	1,046

	Lease-hold Land	Leasehold Buildings	Plant and equip-ment	Motor vehicles and vessels	Furni-ture and fittings	Air Condi-tioners	Compu-ters	Leased Assets	Total
	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm	N'm
Depreciation									
At 1 October 2014	-	-	134	89	16	15	9	89	352
Charge for the year	-	4	25	1	1	2	2	8	43
On disposals	-	-	(17)	(26)	(3)	(2)	(1)	(3)	(52)
Write back on revaluation	-	(4)	-	-	-	-	-	-	(4)
At 30 September 2015	-	-	142	64	14	15	10	94	339
At 1 October 2015	-	-	142	64	14	15	10	94	339
Charge for the year	-	4	22	1	1	2	2	6	38
On disposals	-	-	(4)	(2)	-	(1)	(1)	(1)	(9)
Write back on revaluation	-	(4)	-	-	-	-	-	-	(4)
At 30 September 2016	-	-	160	63	15	16	11	99	364
Carrying amount									
At 30 September 2016	341	224	94	-	5	3	2	13	682
At 30 September 2015	341	219	113	1	6	5	3	19	707

iii) *Valuation of properties*

Leasehold land and buildings were revalued by Messrs Knight Frank (Nigeria) Estate Surveyors & Valuers, Chartered Surveyors with Financial Reporting Council of Nigeria (FRCN) registration number FRC/2013/0000000000584 on 30 September 2016 on market value basis using the Depreciated Replacement Cost Approach. The valuation produced a net deficit of N1 million (2015: surplus of N108 million) which has been debited (2015: credited) to property, plant and equipment revaluation reserve.

iv) *Assets pledged as security*

The company's land and buildings have been pledged as securities for the facility obtained from Standard Chartered Bank Nigeria Limited. Details of the company's assets pledged as security are as disclosed in note 30.

v) *Capital commitment*

The Group had no commitments for capital expenditure as at the statement of financial position date (2015: Nil) and no borrowing cost was capitalised in the current year (2015: Nil).

vi) There were no impairment losses recognized during the year (2015:nil).

19 Investment properties	Group		Company	
	2016	2015	2016	2015
	N'm	N'm	N'm	N'm
At 1 October	6,051	5,609	2,682	2,501
Additions	-	2	-	2
Disposal	(701)	-	-	-
Fair value gain on revaluation (note 13)	69	440	38	179
At 30 September	5,419	6,051	2,720	2,682

i) Investment properties comprise of land held currently by the Group for capital appreciation and buildings held for lease. All the properties are located in Nigeria.

ii) *Items of income and expense*

During the year, N382 million (2015: N270 million) was recognised in the consolidated statement of comprehensive income in relation to rental income from the investment properties. Direct operating expenses, including repairs and maintenance, arising from investment property that generated rental income amounted to N88 million (2015: N49 million).

iii) *Restrictions and obligations*

At 30 September 2016, there were restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. See pledges in note 30. There are currently no obligations to construct or develop the existing investment properties. At 30 September 2016, there was no contractual obligation to purchase investment property (2015: Nil).

iv) *Valuation of the investment properties*

Leasehold land and buildings were revalued by Messrs Knight Frank (Nigeria) Estate Surveyors & Valuers, Chartered Surveyors who hold a recognised and relevant professional qualification, and has recent experience in the location and category of the investment property being valued. The valuation was carried out on current open market valuation basis. The valuation produced a fair value gain of N69 million (2015:N440 million).

v) *Fair value hierarchy*

The valuation technique 'open market basis' used in the determination of the fair value of Investment properties as at the reporting date is unobservable and categorised under level 3 of the fair value hierarchy.

20 Assets under finance lease	Group		Company	
	2016	2015	2016	2015
	N'm	N'm	N'm	N'm
Cost				
At 1 October	190	228	190	228
Additions	69	-	69	-
Disposals	(9)	(38)	(9)	(38)
At 30 September	250	190	250	190

	Group		Company	
	2016	2015	2016	2015
	N'm	N'm	N'm	N'm
Depreciation				
At 1 October	181	212	181	212
Charge for the year	8	6	8	6
Disposals	(8)	(37)	(8)	(37)
At 30 September	181	181	181	181
Carrying amount				
At 30 September	69	9	69	9

The group's assets under finance lease are those assets acquired by the company with facilities from Banks. The assets are used as securities for the loans. Additions of N69million during the year were acquired through the Group's resources in anticipation of bank's funding. As at 30 September 2016, the process of obtaining the facilities was still in progress.

21 **Deferred taxation**	2016	2015	2016	2015
	N'm	N'm	N'm	N'm
i) **Deferred tax asset**				
At 1 October				
- as previously stated	1,303	1,471	1,303	1,586
Reclassification (Note 21(ii))	-	(148)	-	(263)
- as restated	1,303	1,323	1,303	1,323
Charge for the year	(4)	(18)	(4)	(18)
Write back in the year to profit or loss				
On revaluation (note 34)	(1)	(2)	(1)	(2)
At 30 September	1,298	1,303	1,298	1,303

ii) **Deferred tax liability**	2016	2015	2016	2015
	N'm	N'm	N'm	N'm
At 1 October as previously stated	(410)	(550)	-	(263)
Reclassification (Note 21(i))	-	148	-	263
At 1 October as restated	(410)	(402)	-	-
Charge for the year	(4)	(8)	-	-
Write back in the year to profit or loss		-		-
On revaluation (note 34)	-	-	-	-
At 30 September	(414)	(410)	-	-

In line with International Accounting Standard (IAS) 12, the company opted to set off deferred tax assets and deferred tax liabilities of the individual reporting entities and report the net balance. This necessitated the reclassification in the deferred taxation note.

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 30% (2015: 30%).

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

Details of deferred tax (assets)/liabilities:

	Opening balance as at 1 October 2015	Recognised in net income	Recognised in OCI	Recognised directly in equity	Reclassify from equity to net income	Closing balance at 30 Sept. 2016
Deferred Tax Liabilities	N'm	N'm	N'm	N'm	N'm	N'm
Difference between Carrying Value and TWDV	183	(21)	-	-	-	162
Unrealised exchange gain	37	2	-	-	-	39
Gain on fair value of investment property	237	4	-	-	-	241
Revaluation surplus on property, plant and equipment	39	-	1	-	-	40
Total	496	(15)	1	-	-	482
Deferred Tax Assets						
Gratuity provision	78	(78)	-	-	-	-
Unutilised fiscal allowances	872	30	-	-	-	902
Fiscal losses	848	227	-	-	-	1,075
Unrealised exchange loss	1	14	-	-	-	15
Total	1,799	193	-	-	-	1,992
Net deferred tax (asset)/ liability	(1,303)	(208)	1	-	-	(1,510)

The movement in deferred tax assets of N193 million during the year was not recognised because there was no probability that the company would be able to utilise it in the forseeable future.

	Group		Company	
	2016 N'm	2015 N'm	2016 N'm	2015 N'm
22 Investments in subsidiary companies				
i) West African Drug Company Limited	-	-	0.9	0.9
Holt Engineering Limited	-	-	1.6	1.6
HPL Limited	-	-	1.2	1.2
JALLCO Limited	-	-	12.0	12.0
Probyn Road Properties (Nig.) Limited	-	-	0.6	0.6
Africa Property (Nig.) Limited	-	-	1.2	1.2
John Holt Agric. Engineers Limited	-	-	2.5	2.5
	-	-	20	20
Impairment Allowances	-	-	-	-
	-	-	20	20

ii) *The summary of the financial position of the subsidiary companies is as follows:*

	West African Drug Company Limited	Holt Engineering Limited	HPL Limited	JALLCO Limited	Probyn Road Properties Nig. Ltd.	Africa Properties (Nig.) Ltd	John Holt Agric. Engineers Ltd
As at 30 September 2016							
Total assets	1,013	2	5	5,597	2	784	176
Total liabilities	(62)	-	(1)	(792)	-	(92)	(23)
Equity	951	2	4	4,805	2	692	153
Percentage holding	100	100	100	100	100	100	100

	West African Drug Company Limited	Holt Engineering Limited	HPL Limited	JALLCO Limited	Probyn Road Properties Nig. Ltd.	Africa Properties (Nig.) Ltd	John Holt Agric. Engineers Ltd
As at 30 September 2015							
Total assets	1,012	2	5	5,787	2	774	173
Total liabilities	(70)	-	(1)	(754)	-	(90)	(23)
Equity	942	2	4	5,033	2	684	150
Percentage holding	100	100	100	100	100	100	100

23 Available-for-sale financial assets	Group 2016 N'm	Group 2015 N'm	Company 2016 N'm	Company 2015 N'm
i) Quoted Investments - Cost:				
United Bank for Africa Plc	1	1	1	1
Stanbic IBTC Holdings Plc	1	1	1	1
	2	2	2	2

ii) The fair value of these financial assets as at the reporting date is as follow:

	N'm	N'm	N'm	N'm
Market value at the beginning of the year	7	10	7	10
Fair value loss (note 35)	(1)	(3)	(1)	(3)
Market value at the end of the year	6	7	6	7

iii) The available-for-sale financial assets represent the Group's investments in listed securities on the Nigerian Stock Exchange. The investment is carried at fair value based on current bid price at the Nigerian Stock Exchange.

24 Fair value hierarchy

i) Group:

30 September 2016	Level 1	Level 2	Level 3	Total fair value
Available-for-sale financial assets				
Quoted equity securities	6	-	-	6
Unquoted equity securities	-	-	-	-
Balance at the end of the year	6	-	-	6

30 September 2015	Level 1	Level 2	Level 3	Total fair value
Available-for-sale financial assets				
Quoted equity securities	7	-	-	7
Unquoted equity securities	-	-	-	-
Balance at the end of the year	7	-	-	7

ii) Company:

30 September 2016	Level 1	Level 2	Level 3	Total fair value
Available-for-sale financial assets				
Quoted equity securities	6	-	-	6
Unquoted equity securities	-	-	-	-
Balance at the end of the year	6	-	-	6

30 September 2015	Level 1	Level 2	Level 3	Total fair value
Available-for-sale financial assets				
Quoted equity securities	7	-	-	7
Unquoted equity securities	-	-	-	-
Balance at the end of the year	7	-	-	7

	Group		Company	
25 Inventories	2016	2015	2016	2015
	N'm	N'm	N'm	N'm
Finished goods	94	187	94	187
Work- in- progress	56	57	56	57
Goods-in-transit	233	-	233	-
	383	244	383	244
Impairment due to obsolescence	(31)	(6)	(31)	(6)
	352	238	352	238

The carrying amount of the inventories is the lower of their costs and net realisable values as at the reporting dates.

26 Trade and other receivables	N'm	N'm	N'm	N'm
i) Trade receivables	336	137	336	137
Less:				
Provision for impairment of trade receivables	(21)	(34)	(21)	(34)
Trade receivables - net	315	103	315	103
Advances to staff	7	1	7	1
Total financial assets other than cash and cash equivalents classified as receivables	322	104	322	104
Prepayments	61	39	61	39
Other receivables - net (note 26(ii))	294	166	294	166
	677	309	677	309
ii) Other receivables	N'm	N'm	N'm	N'm
Withholding tax receivable	1,583	1,528	1,583	1,528
Insurance claim receivable	-	3	-	3
Other debit balances	189	111	189	111
	1,772	1,642	1,772	1,642
Provision for irrecoverable withholding tax				
At 1 October	1,476	1,462	1,476	1,455
Additions	2	14	2	21
Write back	-	-	-	-
At 30 September	1,478	1,476	1,478	1,476
Other receivables - net	294	166	294	166

27 Cash and cash equivalents	N'm	N'm	N'm	N'm
Cash in hand	-	-	-	-
Cash at bank	196	67	196	67
As per statement of financial position	196	67	196	67
Bank overdrafts used for cash management purposes (Note 30)	(23)	(19)	(23)	(19)
As per statement of cashflows	173	48	173	48

	Group		Company	
	2016	2015	2016	2015
28 Trade and other payables	N'm	N'm	N'm	N'm
Trade payables	41	62	41	62
Accruals and provisions	1,001	946	956	905
Deferred revenue	432	351	379	258
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	1,474	1,359	1,376	1,225
Due to staff (See Note 31 (ii))	215	-	215	-
Other payables	99	206	98	199
	1,788	1,565	1,689	1,424
29 Dividend payable	4	4	4	4
30 Loans and borrowings	N'm	N'm	N'm	N'm
Current				
Overdrafts (Note 27)	23	19	23	19
Bank loans (Note 30(viii))	1,063	989	1,063	989
Finance lease	-	7	-	7
	1,086	1,015	1,086	1,015
Non-Current				
Bank loans (Note 30(viii))	-	423	-	423
Finance lease	-	-	-	-
	-	423	-	423
Total loans and borrowings	1,086	1,438	1,086	1,438

i) All loans and borrowings are secured as disclosed in notes 30(ix) to (xi).

	Group 2016	Group 2015	Company 2016	Company 2015
ii) Fidelity Bank Plc - Term loan	N'm	N'm	N'm	N'm
At 1 October	312	-	312	-
Additions during the year	-	320	-	320
Accrued interest in the year	45	10	45	10
Repayments during the year	(191)	(18)	(191)	(18)
At 30 September	166	312	166	312
iii) Standard Chartered Bank Nigeria Limited	N'm	N'm	N'm	N'm
At 1 October	306	314	306	314
Additions during the year	-	-	-	-
Accrued interest in the year	47	47	47	47
Repayments during the year	(95)	(55)	(95)	(55)
At 30 September	258	306	258	306
iv) First Bank of Nigeria Limited	N'm	N'm	N'm	N'm
At 1 October	-	229	-	229
Additions during the year	-	-	-	-
Accrued interest in the year		20		20
Gains from loan settled at concessionary amount (Note 13)	-	(114)	-	(114)
Repayments during the year	-	(135)	-	(135)
At 30 September	-	-	-	-
v) AMCON Loan	N'm	N'm	N'm	N'm
At 1 October	693	707	693	707
Accrued interest in the year	-	75	-	75
Gains from loan settled at concessionary amount (Note 13)	(152)	-	(152)	-
Repayments during the year	(541)	(89)	(541)	(89)
At 30 September	-	693	-	693

During the year, AMCON Loan of N693 million was settled at a concessionary amount of N541 million resulting in a gain of N152 million.

	Group		Company	
	2016	2015	2016	2015
vi) Import Finance Facilities	N'm	N'm	N'm	N'm
At 1 October	101	527	101	527
Additions during the year	968	829	968	829
Accrued interest in the year	36	-	36	-
Repayments during the year	(466)	(1,255)	(466)	(1,255)
At 30 September	639	101	639	101
vii) Finance lease				
At 1 October	7	15	7	15
Accrued interest in the year	-	2	-	2
Repayments during the year	(7)	(10)	(7)	(10)
At 30 September	-	7	-	7

viii) **Analysis of Bank loans**

- 2016	Current portion long term borrowings	Non-current portion long term borrowings	Total
	N'm	N'm	N'm
Fidelity Bank Plc - Term loan	166	-	166
Standard Chartered Bank Nigeria Limited	258	-	258
Fidelity Bank Plc - Import Finance Facility	639	-	639
	1,063	-	1,063
- 2015	N'm	N'm	N'm
Fidelity Bank Plc - Term loan	152	160	312
Standard Chartered Bank Nigeria Limited	306	-	306
Asset Management Corporation of Nigeria	430	263	693
Fidelity Bank Plc - Import Finance Facility	101	-	101
	989	423	1,412

The amount of N1.063 billion (2015: N1.412 billion) represents outstanding balance on the loan granted to the Company by the following Banks:

ix) **Fidelity Bank Plc - Term loan**

The balance of N166 million (2015: N312 million) inclusive of interest represents outstanding balance on the loan granted to the company by Fidelity Bank Plc to fund payment of arrears of ground rent and related legal charges in respect of the property in Idu, Abuja under a loan agreement dated 27 July 2015. The loan is bearing an interest rate of 22% per annum and repayable over twenty-four months. The repayment of the facility will be in 8 equal quarterly instalments from sales proceeds of the landed property as well as other sources available to the company.

The loan is secured by:

- Corporate Guarantee of John Holt & Company (Liverpool) Ltd supported by board resolution authorising the issuance of the Corporate Guarantee.
- Irrevocable letter of commitment to domicile sale proceeds from the property through John Holt account with Fidelity Bank Plc.

x) **Standard Chartered Bank Nigeria Limited**

The balance of N258 million (2015: N306 million) represents outstanding balance on the restructured aggregation of the balance on the N400m overdraft facility for working capital to be repaid.The loan is restructured on a reducing balance basis at the rate of 15% per annum.However,this is subject to review in line with money market conditions at the discretion of the bank during the life of the facility. However negotiation for restructuring is ongoing.

The loan is secured by a legal mortgage on the company's realty managed by UBA Trustees.

xi) **Fidelity Bank Plc - Import Finance Facilities**

This represents the outstanding balance in respect of the USD3 million Import overdraft granted by Fidelity Bank Plc to facilitate the importation of the Company's products through letters of credit. The facility is payable in 365 days with 240 days clean up cycle. The facility bore interest at 7% pre-negotiation and LIBOR plus 7% post-negotiation per annum for US Dollar and 22% per annum for Naira at the statement of financial position date.

The loan is secured by:
- Corporate guarantee of John Holt & Company (Liverpool) Ltd
- Irrevocable letter of domiciliation of FCY contract proceeds by John Holt & Company (Liverpool) Ltd for shell Petroleum's transactions.

	Group		Company	
31 Employee benefits	2016	2015	2016	2015
	N'm	N'm	N'm	N'm
Defined contribution plan (Note 31(i))	149	138	149	138
Defined benefit plan (Note 31(ii))	-	245	-	245
	149	383	149	383
i) Defined contribution plan	N'm	N'm	N'm	N'm
At 1 October	138	116	138	116
Deductions	27	34	27	34
Remittances	(16)	(12)	(16)	(12)
At 30 September	149	138	149	138
ii) Defined benefit plan				
At 1 October	245	262	245	262
Provision during the year	-	22	-	22
Actuarial gain recognised	-	-	-	-
	245	284	245	284
Payments during the year	(30)	(39)	(30)	(39)
Reclassification (See Notes 28 & 31 (iii))	(215)	-	(215)	-
At 30 September	-	245	-	245
Current	-	78	-	78
Non-current	-	167	-	167
	-	245	-	245

iii) During the year, defined benefit plan was discontinued effective 30 September 2015. Consequently the balance in the account was reclassified to current liabilities as amount due to staff as disclosed in note 28.

32 **Related party transactions**

Related parties include the Board of Directors, their close family members and companies which are controlled by these individuals.

John Holt Plc is a subsidiary of John Holt & Company (Liverpool) Ltd, United Kingdom which holds 53% of its issued share capital.

During the year, the Company carried out transactions with its parent Company and other related companies in the ordinary course of business.

The following balances resulted from transactions carried out with related parties during the year:

	N'm	N'm	N'm	N'm
Due from Parent company (Note 32 (iv))	2,501	1,336	2,501	1,336
Due to related parties:				
- Due within one year from the end of the reporting period:				
Due to associate (Note 32 (ii))	24	24	24	24
Due to other related companies (Note 32 (v))	80	-	80	-
	104	24	104	24

	Group		Company	
	2016	2015	2016	2015
	N'm	N'm	N'm	N'm
- Due after one year from the end of the reporting period:				
Due to subsidiary companies (Note 32 (i))	-	-	3,982	3,495
Due to Parent company (Note 32 (iii))	4,771	3,565	4,771	3,565
	4,771	3,565	8,753	7,060
	N'm	N'm	N'm	N'm
i) Due to subsidiary companies				
Holt Engineering Limited	-	-	2	2
West African Drug Company Limited	-	-	266	280
HPL Limited	-	-	5	5
Probyn Road Properties Nig. Limited	-	-	2	2
Africa Properties (Nig.) Limited	-	-	29	31
JALLCO Limited	-	-	3,671	3,167
John Holt Agric. Engineers Limited	-	-	7	8
	-	-	3,982	3,495
ii) Due to associate company	N'm	N'm	N'm	N'm
YMNL Limited	24	24	24	24
iii) Due to Parent company				
John Holt & Company (Liverpool) Ltd	4,771	3,565	4,771	3,565
iv) Due from Parent company				
John Holt & Company (Liverpool) Ltd	2,501	1,336	2,501	1,336

During the year, the Company purchased goods worth N997million (2015: N237million)from the parent company.

v) Due to other related party companies:

	Nature of transactions	Group 2016	Group 2015	Company 2016	Company 2015
Harmony Trust & Investment Limited	Finance	60	-	60	-
Crain Nigeria Limited	Finance	20	-	20	-
		80	-	80	-

During the year, the company received a financial support in the sum of N80million from Harmony Trust & Investment Limited and Crain Nigeria Limited. The facilties bear no interest and were given to the company to enable it finance its operational activities during the year. There was no loan agreement in place for these facilities.

Chief Christopher Ezeh, the chairman of the company is a director in Crain Nigeria Limited while Dr. Raymond Obieri who is a former non-executive director of the company is also a director in Harmony Trust & Investment Limited.

The fair value of these facilities at year end using the market rate is N93,016,667.

vi) During the year, the company also sold some air-conditioning units to the tune of N12,508,624 on normal commercial terms to Christopher University (an institution established by the Chairman of the company) however, no balance is outstanding as receivable from the Institution as at 30 September 2016.

33 Share Capital	No.'m	No.'m	No.'m	No.'m
Authorised:				
Ordinary shares of 50k each	200	200	200	200
Issued and fully paid				
Ordinary shares of 50k each	195	195	195	195
Authorised:				
Ordinary shares of 50k each	400	400	400	400
Issued and fully paid				
Ordinary shares of 50k each	390	390	390	390

	Group		Company	
	2016	2015	2016	2015
34 Property revaluation reserve	N'm	N'm	N'm	N'm
i) At 1 October				
- as previously stated	529	1,492	410	384
Reclassification to revenue reserve (Notes 34 (ii) and 38)	(70)	(1,062)	(70)	-
- as restated	459	430	340	384
Revaluation(deficit)/surplus net of tax (note 34(iii))	(2)	99	8	26
At 30 September	457	529	348	410

ii) In accordance with IFRS requirement, brought forward fair value gain on investment properties was transferred to retained profits in previous year. The above reclassification represents the balance of fair value gain on investment properties that should have been transferred to retained profits but was inadvertently reported under property, plant and equipment revaluation reserve.

iii) Surplus on revaluation of property, plant and equipment (net of tax) as reported in Other Comprehensive Income (OCI) is as follows:

	N'm	N'm	N'm	N'm
Revaluation (deficit)/surplus (Note 18)	(5)	104	5	24
Depreciation written back on revaluation (Note 18)	4	4	4	4
Total revaluation (deficit)/surplus for the year	(1)	108	9	28
Surplus on asset disposed in the year	-	(7)	-	-
Write back of deferred tax liability	-	-	-	-
Deferred tax on revaluation (Note 21(ii))	(1)	(2)	(1)	(2)
At 30 September	(2)	99	8	26

35 Available-for-sale financial assets revaluation reserve	N'm	N'm	N'm	N'm
At 1 October	6	9	6	9
Fair value gain for the year (note 23 (ii))	(1)	(3)	(1)	(3)
At 30 September	5	6	5	6

36 Reserve on actuarial valuation of defined benefit plan	N'm	N'm	N'm	N'm
Balance at the beginning of the year	90	90	90	90
Actuarial gain - change in assumption	-	-	-	-
Actuarial gain - experience adjustment	-	-	-	-
Reclassification to revenue reserve (Note 37)	(90)	-	(90)	-
Balance at the end of the year	-	90	-	90

Effective 30 September 2015, defined benefit plan was discontinued and the balance in the account was transferred to current liabilities as amount due to staff as disclosed in note 28. Consequently, reserve on actuarial valuation of defined benefit plan was reclassified into revenue reserve.

37 Revenue reserve	N'm	N'm	N'm	N'm
At 1 October	-	-	-	-
- as previously stated	2,368	1,553	(4,313)	(3,982)
Reclassification from revaluation reserve (Note 34 (i))	70	1,062	70	-
- as restated	2,438	2,615	(4,243)	(3,982)
Transfer from revaluation reserve (note 34(iii))	-	7	-	-
Transfer from reserve on actuarial valuation of defined benefit plan (note 36)	90		90	
Profit/(loss) after taxation	97	(254)	296	(331)
At 30 September	2,625	2,368	(3,857)	(4,313)

38 Transactions with key management personnel

Key management staff are those persons who have authority and responsibility for planning, directing and controlling the activities of the company. Key management includes executive and non-executive directors and members of the Executive Committee.

i) Directors' emoluments

Remuneration paid to the Company's Directors (excluding pension contribution) were:

	Group		Company	
	2016	2015	2016	2015
Fees:	N'm	N'm	N'm	N'm
- Chairman	0.02	0.04	0.02	0.04
- Other Directors	0.03	0.09	0.03	0.09
Sitting allowance	0.48	1.08	0.48	1.08
Executive compensation	5.40	5.40	5.40	5.40
Other Director expenses	8.70	16.80	8.70	16.80
	14.63	23.41	14.63	23.41

ii) Fees and other emoluments (excluding reimbursable expenses disclosed above include amount paid to:	N'm	N'm	N'm	N'm
Chairman	0.26	0.40	0.26	0.40
Highest paid director	5.40	5.40	5.40	5.40
	5.66	5.80	5.66	5.80

The number of Directors (including the Chairman and the highest paid Director) who received fees and emoluments (excluding pension contributions) in the following ranges was:

N	N	Number	Number	Number	Number
100,001 -	200,000	2	-	2	-
200,001 -	300,000	1	3	1	3
300,001 -	400,000	-	1	-	1
5,000,001 -	6,000,000	1	1	1	1

The number of directors who received emoluments	4	5	4	5
The number of directors who did not receive emoluments	2	2	2	2

39 Employees

	Number	Number	Number	Number
i) Number of persons employed during the year:				
Management staff	9	11	9	11
Senior satff	72	77	72	77
Non-managers	73	88	73	88
	154	176	154	176

	N'm	N'm	N'm	N'm
ii) Employees' costs:				
Salaries,wages,medical and welfare	132	183	132	183
Defined benefit plan	-	22	-	22
Defined contribution plan	16	19	16	19
	148	224	148	224

iii) The number of employees of the Group including Directors whose emoluments (excluding allowances and pension contributions) during the year were within the bands stated below:

N	N	Number	Number	Number	Number
100,000 -	500,000	133	157	133	157
500,001 -	1,000,000	12	8	12	8
1,000,001 -	1,500,000	3	2	3	2
1,500,001 -	2,000,000	1	2	1	2
2,000,001 -	2,500,000	1	2	1	2
2,500,001 -	5,000,000	3	4	3	4
5,000,001 -	6,000,000	1	1	1	1
		154	176	154	176

40 Reconciliation of net profit/(loss) to net cash generated by operating activities

	Group		Company	
	2016	2015	2016	2015
Cash flows from operating activities	N'm	N'm	N'm	N'm
Profit/(loss)after tax	97	(254)	296	(331)
Adjustment for:				
Depreciation of property plant and equipment	38	44	38	43
Depreciation of assets under finance lease	8	6	8	6
Reversal of Impairment loss on investment in subsidiaries	-	-	-	(2)
Finance costs	146	231	146	231
Fair value on investment property	(69)	(440)	(38)	(179)
Accrued interest in the year	128	154	128	154
Gains from FBN borrowing settled at concessionary amount	-	(114)	-	(114)
Gains from AMCON borrowing settled at concessionary amount	(152)	-	(152)	-
Loss/(profit) on disposal of property, plant and equipment	-	127	-	(6)
Loss on disposal of asset under finance lease	1	-	1	-
Loss on disposal of investment properties	162	-	-	-
Income tax expense	107	83	15	20
Income tax paid	(34)	(5)	(1)	-
	432	**(168)**	**441**	**(178)**
Changes in:				
Inventories	(114)	460	(114)	460
Trade and other receivables	(368)	200	(368)	200
Due from related party	(1,165)	(381)	(1,165)	(381)
Due to related parties	1,286	774	1,773	998
Employee benefits	(156)	5	(156)	5
Dividend payable	-	(22)	-	(22)
Trade and other payables	223	(490)	265	(482)
	(294)	**546**	**235**	**778**
Cash generated by operating activities	**138**	**378**	**676**	**600**

41 Going concern

The financial statements have been prepared on a going concern basis. the Company made a profit before taxation of N311 million (Group: N204 million) during the year ended 30 September 2016 (2015: Loss of N311 million, Group: N171 million) and as at that date its current assets exceeded its current liabilities by N649 million (2015:Net current liabilities of N690 million) but had accumulated losses of N3.9 billion (2015: N4.3 billion) and a negative shareholders' funds of N3.3 billion (2015:N3.6 billion). As at the same date, the Group's current assets exceeded its current liabilities by N108 million (2015: Net current liabilities of N1.2 billion). However, the Group had a positive shareholders' funds of N3.3 billion (2015:N3.2 billion). Further, the validity of the going concern basis depends on the willingness of the Company's shareholders to continue their support by providing adequate working capital facilities and the Company's bankers and major creditors continuing to provide adequate support. In the absence of such financial support from its shareholders, bankers and major creditors, the going concern basis would be invalid and adjustments would have to be made to reduce the value of assets to their recoverable amounts and provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities.

However, the directors are confident that efforts at returning the company to profitability, liquidity and financial stability are gradually yielding fruit examples of which are as follows:

- The reduction in mortgage facility balances (i.e AMCON and Bank loans) by N887 million from N1.3 billion to N424 million due to principal and interest repayment of N827 million as well as concession from settlement of loan.

- Exit from AMCON which provides a more favourable opportunity for funding.
- Improvement in Group and Company working capitals from negative N1.2 billion and N690 million in 2015 to positive N108 million and N649 million respectively in 2016.
- Improvement in profit from a loss before tax of N171 million and N311 million in 2015 to a profit before tax of N204 milllion and N311 million in 2016 for the Group and the Company respectively.

To further enhance the progress made so far, the Directors are taking additional measures as detailed below:

- Development of home grown business. This is to reduce foreign exchange requirement and exposure to foreign exchange risk.
- Development of export business to enhance foreign exchange earnings.
- Sourcing of long term capital as soon as it is suitably possible.
- Leveraging on brand equity in sourcing quality products at competitive price to significantly penetrate the market through different options to enhance market share and revenue.
- Sustaining tighter cost control measures on a continuous basis.

Based on the above measures and after due consideration of related uncertainties, the Directors are convinced that the company is adequately positioned to continue in operations on a long term basis and, consequently, prepared these financial statements on a going concern basis.

42 Capital Commitments

The directors are of the opinion that there were no capital commitments at 30 September 2016 (2015 - Nil).

43 Contingent Liabilities

(a) There were contingent liabilities in respect of legal actions against the Company, the monetary amount of which cannot be quantified. No provision has been made in these financial statements in respect of the legal actions as the directors, having taken legal advice, do not believe that any material liability will eventually be borne by the Company.

(b) There was a contingent liability in respect of bonds and guarantees of N23.5 million in favour of Iron Products Ind. Ltd. with a commercial bank at year ended 30 September 2016 (2015: nil). The expiry date of the guarantee was 17 November 2016.

44 Events after reporting period

No events or transactions have occurred since 30 September 2016 which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order not to make them misleading as to the financial position or results of operations at 30 September 2016.

(c) The Group is exposed to financial risks arising from fluctuations in foreign exchange rates. The value of Naira the local functional currency has been dropping significantly against the U.S dollar and British Pounds Sterling in recent times and has fluctuated from N304.75 to N304.5 for U.S$1 and N394.77 to N379.13 for £1 at 30 September 2016 and 28 December 2016 respectively.

The significant changes in the exchange rates will have both adverse and favourable effects on the Group's results for the year ending 30 September 2017 if the condition persists as it is in 2017, as the Group has intercompany payable and receivable denominated in British Pounds Sterling and U.S Dollar respectively. An estimate of such adverse/favourable effect cannot be determined as at the time of signing 2016 audited financial statements.

45 Comparative figures

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

JOHN HOLT PLC
CONSOLIDATED STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 30 SEPTEMBER 2016
OTHER NATIONAL DISCLOSURE

	Group				Company			
	2016 N'm	%	2015 N'm	%	2016 N'm	%	2015 N'm	%
Revenue	2,665		2,425		2,619		2,379	
Other income	480		983		449		722	
	3,145		3,408		3,068		3,101	
Less: Costs of products, services and leases								
- Local	(1,557)		(1,801)		(1,373)		(1,635)	
- Imported	(1,044)		(1,273)		(1,044)		(1,273)	
Value added	544	100	334	100	651	100	193	100
Value added as a percentage of revenue	20%		14%		25%		8%	
Applied as follows:								
To pay employees								
Salaries, allowances and other benefits	148	27	224	67	148	23	224	116
To pay government:								
Income tax	99	18	57	17	11	2	2	1
To pay providers of capital:								
Finance costs	146	27	231	69	146	22	231	120
To provide for replacement of assets and future expansion of business:								
- Deferred tax	8	2	26	8	4	1	18	9
- Depreciation of property, plant and equipment and assets under finance lease	46	8	50	15	46	7	49	25
- Results for the year	97	18	(254)	(76)	296	45	(331)	(171)
Value added	544	100	334	100	651	100	193	100

Value added represents the additional wealth which the Group has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders, goverment and that retained for the future creation of more wealth.

	Group				
	2016	2015	2014	2013	2012
Statement of financial position	N'm	N'm	N'm	N'm	N'm
Non-current assets	8,359	8,971	8,981	8,663	7,472
Current assets	3,726	1,950	2,278	595	3,595
Current liabilities	(3,618)	(3,168)	(3,860)	(4,862)	(8,916)
Non-current liabilities	(5,185)	(4,565)	(4,060)	(2,366)	(312)
Total net assets	3,282	3,188	3,339	2,030	1,839
Equity					
Share capital	195	195	195	195	195
Revaluation reserve	457	529	1,492	833	5,505
Available-for-sale-reserve	5	6	9	7	2
Reserve on actuarial valuation of defined benefit plan	-	90	90	33	-
Revenue reserve	2,625	2,368	1,553	962	(3,863)
Total equity	3,282	3,188	3,339	2,030	1,839
Statement of comprehensive income					
Revenue	2,665	2,425	2,815	3,038	2,764
Profit/(loss) before taxation	204	(171)	427	264	172
Taxation	(107)	(83)	164	(171)	(239)
Profit/(loss) for the year	97	(254)	591	93	(67)
Other comprehensive (loss)/income	(3)	96	718	212	(1,244)
Total comprehensive income/(loss)	94	(158)	1,309	305	(1,311)
Basic earnings/(loss) per share (Kobo)	24.87	(65.13)	151.54	23.85	(17.18)
Net assets per share (Kobo)	841.54	817.44	856.15	520.51	471.54

Basic earnings/(loss) per ordinary share are based on the profit/(loss) after taxation divided by the number of issued and fully paid N0.50 ordinary shares at the end of each financial year.

Net assets per ordinary share are based on the net assets divided by the number of issued and fully paid N0.50 ordinary shares at the end of each financial year.

	Company				
	2016	2015	2014	2013	2012
Statement of financial position	N'm	N'm	N'm	N'm	N'm
Non-current assets	4,795	4,728	4,836	4,700	4,263
Current assets	3,726	1,950	2,278	595	1,191
Current liabilities	(3,077)	(2,640)	(6,645)	(7,515)	(9,172)
Non-current liabilities	(8,753)	(7,650)	(3,773)	(1,469)	(312)
Total net liabilities	(3,309)	(3,612)	(3,304)	(3,689)	(4,030)
Equity					
Share capital	195	195	195	195	195
Revaluation reserve	348	410	384	304	2,440
Available-for-sale-reserve	5	6	9	7	2
Reserve on actuarial valuation of defined benefit plan	-	90	90	33	-
Revenue reserve	(3,857)	(4,313)	(3,982)	(4,228)	(6,667)
Total equity	(3,309)	(3,612)	(3,304)	(3,689)	(4,030)
Statement of comprehensive income					
Revenue	2,619	2,379	2,768	2,989	2,728
Profit/(loss) before taxation	311	(311)	266	111	(1,899)
Taxation	(15)	(20)	(20)	(14)	38
Profit/(loss) for the year	296	(331)	246	97	(1,861)
Other comprehensive income	7	23	139	71	205
Total comprehensive income/(loss)	303	(308)	385	168	(1,656)
Basic earnings/(loss) per share (Kobo)	75.90	(84.87)	63.08	24.87	(477.18)
Net liabilities per share (Kobo)	(848.46)	(926.15)	(847.18)	(945.90)	(1,033.33)

Basic earnings/(loss) per ordinary share are based on the profit/(loss) after taxation divided by the number of issued and fully paid N0.50 ordinary shares at the end of each financial year.

Net liabilities per ordinary share are based on the net assets divided by the number of issued and fully paid N0.50 ordinary shares at the end of each financial year.