

**NIGERIAN ENAMELWARE PLC**  
***Financial Statements***  
***For the year ended 30 April, 2020***

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## **NOTICE OF THE 60<sup>th</sup> ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE 60<sup>th</sup>** Annual General Meeting of Nigerian Enamelware Plc will be held at LAGOS AIRPORT HOTEL, Awolowo Way, Ikeja, Lagos State on Tuesday, 8th December, 2020 at 10:00am to transact the following businesses:

### **ORDINARY BUSINESS**

1. To receive the Audited Financial Statements for the year ended 30<sup>th</sup> April 2020, together with the Reports of the Directors, Audit Committee and Independent Auditors thereon.
2. To elect/re-elect Directors
3. To re-appoint the Independent Auditors
4. To authorize the Directors to fix the remuneration of the Auditors
5. To elect members of the Audit Committee

### **NOTE:**

#### **1. PROXY**

In view of COVID-19 pandemic, the restriction on mass gatherings and in line with the Guidelines issued by the Corporate Affairs Commission on holding AGMs using proxies, attendance at the AGM shall only be by proxy. Consequently, a member entitled to attend and vote at the AGM is advised to select from the underlisted proposed proxies to attend and vote in his stead;

The proxies are hereby listed.

- (a) Mr. Patrick Okafor Ajudua
- (b) Chief Timothy Adesiyon
- (c) Mr. Robert Igwe

A proxy form is attached to the Annual Report. All instruments of proxy must be completed and deposited with the Office of the Registrar of the Company, Greenwich, Registrars & Data Solutions Limited of 274, Muritala Mohammed Way Alagomeji, Yaba, Lagos or via Emails at [info@atlregistrars.com](mailto:info@atlregistrars.com) not later than 48 hours before the time fixed for the meeting. The Company has made arrangements to bear the cost of stamp duties on the instruments of proxy.

#### **2. LIVE STREAMING OF THE AGM**

The AGM will be streamed live. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM live stream would be made available at the Company's website at [www.wempeco.com](http://www.wempeco.com).

#### **3. CLOSURE OF REGISTER AND TRANSFER OF BOOKS**

The Register of Members will be closed from the 26th day of October 2020 to 27th day of October 2020 both dates inclusive for the purpose of updating the Register.

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### **4. AUDIT COMMITTEE**

The Audit Committee consists of 3 Shareholders and 3 Directors. In accordance with Section 359(5) of the Companies and Allied Matters Act (cap C20, Laws of the Federation of Nigeria) 2004, any member of the Company may nominate a Shareholder as a member of the Audit Committee by giving notice in writing to the Company Secretary at least 21 days before the Annual General Meeting.

### **5. UNCLAIMED DIVIDEND**

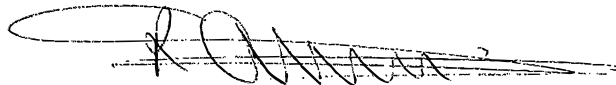
Shareholders with dividend warrants and share certificates that have remained unclaimed, or are yet to be presented for payment or returned for validation are advised to complete the e-dividend registration or contact the office of the Registrars, Greenwich, Registrars & Data Solutions Limited of 274, Muritala Mohammed Way Alagomeji, Yaba, Lagos or via Emails at [info@atlregistrars.com](mailto:info@atlregistrars.com) to confirm their dividend status.

### **6. RIGHTS OF SECURITIES' HOLDERS TO ASK QUESTIONS**

Securities' Holders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company Secretary on or before 5 November 2020.

**The date of this Notice is 18<sup>th</sup> September 2020.**

**BY THE ORDER OF THE BOARD**



**BAMOFIN OLATOKUNBO SANNI**  
COMPANY SECRETARY  
NIGERIAN ENAMELWARE PLC

# **NIGERIAN ENAMELWARE PLC**

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### **DIRECTORS, PROFESSIONAL ADVISERS, ETC.**

#### **DIRECTORS:**

Alhaji (Chief) M.A. Ola Yusuf (Chairman)  
Phillip Tung (Managing) (Australian)  
Lewis Tung (Chinese)  
Paul Tung (Chinese)  
Hadji (Chief) Tokunbo Alli

#### **SECRETARY AND REGISTERED OFFICE**

Olatokunbo Sanni & Co.,  
Graceville Chambers,  
18, Wempco Road,  
Ogbå Ikeja.

#### **REGISTRARS AND TRANSFER OFFICE:**

Greenwich Registrars and Data Solutions Ltd.  
274, Murtala Mohammed Way,  
Alagomeji, Yaba.  
P.M.B. 12717  
Lagos.

#### **AUDITORS:**

OOP and Partners  
(Chartered Accountants)  
58, Kudirat Abiola Way,  
Oregun, Ikeja.  
Lagos.

#### **SOLICITORS:**

Adedoyin Awosanya & Co.  
Elesho Chambers,  
Plot 120 Oyadiran Estate  
Sabo, Yaba, Lagos.

#### **MAIN BANKERS:**

Access Bank Plc  
Citibank Nigeria Ltd.  
First Bank of Nigeria Limited.  
Stanbic IBTC Bank Plc  
United Bank for Africa Plc  
Zenith Bank Plc



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### **Company Profile**

Nigerian Enamelware Limited was incorporated on 21<sup>st</sup> May, 1960 as a Private Limited Liability Company. The company went public on 28<sup>th</sup> December, 1979 in compliance with the Indigenization Decree of 1977 and was granted a listing on the Nigerian Stock Exchange. The company adopted its present name “Nigerian Enamelware Plc” on 6<sup>th</sup> June, 1991 in compliance with provisions of the Companies and Allied matters Act, Cap C20, LFN 2004 (as amended) The Principal activities of the company are the manufacture and marketing of Enamelware products including cooking utensils and culinary materials.

# **NIGERIAN ENAMELWARE PLC**

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### **THE PROFILE OF DIRECTORS**

#### **1. ALHAJI CHIEF M. A. OLA YUSUF, FCA. FCCA – CHAIRMAN**

Alhaji Chief M. A. Ola Yusuf is a Fellow of Institute of Chartered Accountants in England and Wales. He is a Fellow of Certified and Corporate Accountants in U K . He is also a Fellow of Institute of Chartered Accountants of Nigeria.

Alhaji Chief M. A. Ola Yusuf was former Managing Director of John Holt ventures and Divisional Chief Executive of John Holt Limited Group.

Alhaji M. A. Ola Yusuf was once a director of MaersK Line Shipping Company; Chairman, Presidential Technical Committee on Exports from Nigeria; Chairman of Ogun State Committee on Agriculture and Forestry, etc.

Alhaji Sultan M. A. Ola Yusuf, FCA is the Managing Partner of M. A. Ola Yusuf & Co. (A firm of practical Chartered Accountant) Chairman/Proprietor of Peace Foundation International Group of Schools in Abeokuta- The School with a touch of excellence.

A prominent Muslim leader, Sultan M. Ola Yusuf was Chairman of Ogun State Muslim Pilgrims and Welfare Board and Ekerin of Egba Muslims.

Alhaji Yusuf is the Sarumi of Egba Land; the Olori Parakoyi of Owu Kingdom; the Ekerin Musulumi of Egbaland; the Sultan of Owu muslims and Founder of Peace Foundation.

Alhaji Yusuf has vast experience in accounting and has acted as a counsultant and external auditors to several institutions known to the Nigerian commercial world today. He is a major player in the capital market and his experience consistently comes to bear in his position as the Chairman of Nigerian Enamelware Plc, where he has proven resourceful for over thirty one years.

#### **2. PHILIP TUNG – Executive Managing Director**

Philip Tung is an Australian who was born on the 22<sup>nd</sup> of December, 1942. He has cut his teeth in the management of the company with an experience that is not less than forty five years. Philip Tung takes exclusive oversight over technical management of sundry projects taken up by the company. With a background in Electrical Engineering, Philip prides himself as an honourable alumnus of the prestigious University of South Wales.

#### **3. AARE HADJI TOKUNBO ALLI – Director**

Alhaji Alli was born on the 15th of August 1938. He obtained a Grade II teacher's certificate as well as G.C.E. A-Levels in 1960 and 1962 respectively at the Zamratul Islamiyya School Lagos. Being very keen on education, he went on to obtain a diploma in personnel Management in 1966.

He has served on the Board of Governors of Zamratul Islamiyya Grammar School, Surulere, Lagos as well as Muslim Teachers Training College, Omu respectively. He was also Chairman, Board of Governors, Omu Ajose Comprehensive High School, Or u Ijebu and was the Personnel Manager, Universal Industries Nigeria Company Limited (UNICO) from 1968 through 1972.

He is a bonafide associate member of the Nigerian Institute of Management and has attended several management courses and seminars both within and outside Nigeria. He currently serves as a non Executive Director of Nigerian Enamelware Plc.

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### **4. PAULSHUIBO TUNG – Director**

Paul Tung was born in 1954. He lived and studied in Nigeria at American International School during his younger years and subsequently attended the University of Hong Kong studying Business Administration. In 1989 he set up Chongqing Luo Bao Enamel Co., with an export volume of 3 million US dollars, with Nigeria being its primary export target. In 1994, he formed a joint venture with Hong Kong Ryan Group to form Tenghui White Cement Co. Ltd., Tenghui Special Cement Co. Ltd., Tenghui Cement Co. Ltd., Tenghui Industrial Development Co., Ltd., Tenghui Packaging Co., Ltd., Tenghui Logistics Co. Ltd. and many other enterprises.

He has maintained close ties with his roots in Nigeria and has made investments in industries such as Enamelware, Plastics and Steel. He is currently the chairman and president of Tenghui International Group and acts as Chongqing Province Consultative Council member and vice chairman of the Chongqing Overseas Friendship Association.

### **5. LEWIS TUNG- Director**

Lewis Tung was born on July 17, 1951 in the popular city of Shanghai, China. With a passion for management and administration of business and in a bid to get well enlightened, Lewis Tung travelled from China to Hawaii, United States where he enrolled and consequently graduated from the University of Hawaii, having studied Business Administration and coming out in flying colours. Lewis Tung has well over forty years experience of excellently managing companies within the Nigerian terrain. Lewis Tung is a bona fide member of the Institute of Directors.

## **PROFILE OF AUDIT COMMITTEE MEMBERS**

### **1. MRS. KOLAWOLE OLUWAMAYOKUN Y. O. (Nee Shoewu)**

Born on 11th of January, 1968, at Strachan Lane in Lagos State. She attended the Federal Home Science Association School, Ikoyi, Lagos from 1974 through 1977 and proceeded to Our Lady of Apostles Private School, Yaba, through 1978 to 1979 where she obtained her First School Leaving Certificate. She also proceeded to Our Lady of Apostles Secondary School where she obtained her WAEC Certificate in 1984.

She attended Lagos State Polytechnic in 1988 - 1990 for her National Diploma, and also obtained her Higher National Diploma from the Yaba College of Technology, 2001.

She commenced her career in Accounting with Kunle Ladejobi and Company, Chartered Accountant as an Audit trainee in 1990/1991 and joined the Estate Executors and Trustees Limited as an Accounts Officer between 1992 and 1993 before joining the National Productivity Centre, Abuja.

She had also obtained Certificates of the following:

Accounting Technician Schemes (ATS)	1998
B.Sc Accounting, University of Abuja	2004
National Teachers Institute, Kaduna (PGDE)	2014
Nigerian College of Accounting, Jos (ANAN)	2008

Member, Chartered Institute of Economists.

Member, Chartered Institute of Taxation Nigeria.

Student member, Institute of Chartered Accountants of Nigeria.

Student member, Chartered Institute of Secretaries and Administrators

M.Sc Public Sector Accounting (Defense in progress)

Former Treasurer Our Lady of Apostles Old Girls Association Sets 84.

Former Chairperson of National Productivity Centre Cooperative Audit Committee.

Presently the Redeemed Christian Church of God Women Co-ordinator Peace Model Area, Enugu Province 4.

Women Adviser, The Redeemed Christian Church of God, City of Truth Area, Noble Vine Zone, FCT 13, Abuja.

Assistant Secretary, Professional Women in Nigeria FCT 1, Abuja Chapter.

Head of other charges Unit “ The National Productivity Centre”, Abuja.

Married with Children.

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### **2. PRINCE S. O. OGUNNOWO**

Fondly known as Baale, Prince Ogunnowo was born on the November 3, 1940. He attended Imowo United Primary School, Ijebu Ode from 1947 through 1951 and subsequently obtained his School leaving certificate from Ogbogbo Baptist School, Ijebu ode, where he attended from 1952 through 1957.

He has consistently attended several Audit committee seminars and forums including the symposiums organized by the Nigerian Shareholders Solidarity Association (NSSA) in 1990; by PriceWaterHouse Coopers and KPMG on 8<sup>th</sup> and 9<sup>th</sup> of February, 2005 respectively. He also attended the 3<sup>rd</sup> Corporate Financial reporting summit for current global accounting and reporting issues, impact on nation economic development at Sheraton Hotel, Ikeja in November, 2006.

He acts as a director in Leverage Homes Savings & Loans Ltd. He also serves in the capacity of a member of Audit Committee for a number of Companies including Consolidated Breweries Plc as well as Nigerian Enamelware plc.

### **PROFILE OF COMPANY SECRETARY**

#### **BAMOFIN OLATOKUNBO SANNI**

Bamofin Olatokunbo Sanni was born on the 23<sup>rd</sup> March, 1965. He hails from Ogun State. He attended the All Saints Anglican School, Yaba, Lagos and Ilugun Central Academy Ibadan-Odosenbora in the present day Ijebu- North East Local Govt. of Ogun State for his primary and secondary education respectively.

He worked briefly with the defunct Nigeria Cocoa Board, Apapa, Lagos. In his quest for higher education, he subsequently enrolled for A Level Studies, at the School of Basic Studies, Ijebu– Ode in 1983 being run at the time by the College of Education (presently Tai Solarin College of Education) where he made good grades and proceeded to the Prestigious University of Ife (Now Obafemi Awolowo University) in 1985 to study Law.

Having passed his law degree in record time, he proceeded to the Nigerian Law School, Victoria Island, Lagos and was called to Bar in December, 1990. Subsequently he worked with B.K. Ashade & Co., Legal Practitioners at Abeokuta, Ogun State and subsequently joined the Ogun State Property and Investment Corporation (OPIC), Abeokuta and rose to the position of the Company Secretary/Legal Adviser. In October 2007, he eventually retired from public service at the Ogun State Ministry of Justice where he pioneered the portfolio of Director, Commercial Services.

Bamofin Olatokunbo Sanni had since had a thriving private practice through which he acts as Company Secretary to Nigerian Enamelware Company and sundry other companies under the wempco group and has only proven himself very resourceful.

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### **CHAIRMAN'S STATEMENT 2020**

Fellow Shareholders, my Colleagues on the Board, Regulatory Bodies here present, Ladies and Gentlemen.

It is a great pleasure for me to welcome you all to the 60th Annual General Meeting of our Company and I have the honour to present our company performance in the last Financial Statement of Accounts for the year ended 30th April 2020. The year was again marked by a spate of challenges in the operating environment; however, the Federal and State Governments are taking measures to improve economic performance.

The COVID-19 pandemic is a wake-up call to policy makers as the unusual and unprecedented nature of the crisis has made it impossible for citizens to rely on foreign health care services and more difficult to solicit for international support given the competing demand for medical supplies and equipment. A more integrated response spanning several sectors – including the health, finance, and trade sectors – is required to address structural issues that make the country less resilient to shocks and limit its range of policy responses. In the long term, tougher decisions need to be made, including but not limited to diversifying the country's revenue base away from oil exports and improving investments in the health care sector and agriculture in ensuring that the economy is able to recover quickly from difficult conditions in the future.

Our company is presently undergoing Corporate Restructuring which is hoped will assist in the turn around of the fortune of the company for the better. However, the following are the measures being taken by Government to address the challenges;

#### **POWER SECTOR**

Nigeria is still in negotiations with the World Bank for a \$3 billion loan for Nigeria to expand its electricity transmission and distribution infrastructure. According to the Nigerian Minister of Finance, the loan might be provided in four tranches of \$750 million each and the aim was to achieve the first disbursement by April 2020. The financing would cover the historic deficits occasioned by a tariff shortfall in the sector as well as an upgrade of the transmission and distribution infrastructure and allow the distribution business raise financing to invest in the distribution network.

The African Development Bank recently approved a \$210 million financing for Nigerian Transmission Expansion Project, which also sought to rehabilitate and upgrade the country's transmission and distribution network. The Project was to be executed by TCN (Transmission Company of Nigeria) and forms part of a \$1.6 billion Transmission Rehabilitation and Expansion Programme.

The recent events in the Nigerian power sector would bring positive results and facilitate much needed private sector engagement and investments if properly executed. We hope that the proposed government initiative in this sector would improve the fortune of many manufacturing companies including our company.

#### **OIL SECTOR**

According to the report, Nigeria's oil sector recorded a real growth rate of 5.06% (year-on-year) in first quarter 2020 indicating an increase of 6.51% points. However, Nigeria's oil and gas sector saw its contribution to the economy tumble in the second quarter of this year as it recorded negative growth.

National Bureau of Statistics (NBS), in its GDP report for the second quarter of the year, said the oil sector, which grew by 5.06 % in Q1, declined by 6.63% year-on-year in Q2 indicating a decrease of 13.80 per cent compared to the same period of 2019. GDP is Nigeria's biggest economic data and it measures the monetary value of everything produced in the country. It depicts the nation's total economic activity. A decline in GDP means major economic activities are slow or sluggish, which is attributable to disruption caused by the Covid-19 pandemic and oil price reduction.

The NBS said the average daily oil production in the country fell to 1.81 million barrels per day in Q2 from 2.07 million bpd in the previous quarter.



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### **CBN PROVIDES CREDIT FACILITY TO HOUSEHOLDS AND SMALL AND MEDIUM ENTERPRISES**

The Central Bank of Nigeria (CBN) proposed a fiscal stimulus package, including a 50 billion naira (\$138.89 million) credit facility to households and small and medium enterprises most affected by the pandemic, a 100 billion naira (\$277.78 million) loan to the health sector, and a 1 trillion naira (\$2.78 billion) to the manufacturing sector. In addition, the interest rates on all CBN interventions proposed to be revised downwards from 9 to 5 percent, and a one-year moratorium on CBN intervention facilities was to be introduced, effective March 1.

With oil being Nigeria's major source of foreign exchange, amid the steep decline in oil prices, the official exchange rate has been adjusted from 306 to 360 naira. The exchange rate under the investors and exporters (I&E) window has also been adjusted from 360 to 380 naira in order to unify the exchange rates across the I&E window, Bureau de Change, and retail and wholesale windows. Furthermore, the government has introduced import duty waivers for pharmaceutical companies and increased efforts toward ensuring that they receive forex.

### **AGRICULTURE – FG PLANS \$1.2BN ‘GREEN IMPERATIVE’ AGRICULTURAL PROGRAMME**

The Federal Government proposed to set up a programme called Green Imperative, which it said would revolutionise agriculture in Nigeria. The Programme was said to worth \$1.2bn, was expected to be a product of a Nigeria-Brazil Bilateral Agriculture Development Programme.

According to the Minister of Agriculture and Rural Development, the present administration has been working hard to bring about irreversible change in many sectors and to diversify the economy away from oil. The many unprecedented programmes embarked upon by the administration have touched the power sector and food security, especially production of rice, a national staple, through the Anchor Borrower's Programme.

### **NET FOREIGN INFLOW HIT \$9.35BN IN FEBRUARY**

The nation's economy was reported to have recorded a net foreign exchange inflow of \$9.35bn in February. The Central Bank of Nigeria disclosed this in its February monthly report.

It said, "Foreign exchange flows through the economy resulted in a net inflow of \$9.35bn in the February 2020, compared with \$9.99bn and \$4.58bn at end-January 2020 and end-February 2019 respectively.

It said the external sector performance declined in February due to the 11.7 per cent decrease in the international price of crude oil to \$58.45 per barrel. This was attributed mainly to the continuous spread of COVID-19.

Consequently, the CBN added, aggregate foreign exchange inflow into the economy amounted to \$16.19bn, indicating a decrease of 4.4 per cent, compared with the preceding month. It was, however, 61.7 per cent higher than that of year 2019.

### **HEALTH SECTOR**

Nigeria, the most populous country in Africa, is awakening to a new economic and social reality as a result of COVID-19 crisis. The country of over 192 million people, recorded its first case on February 28, 2020. Since then, it has recorded about 4,151 cases and 128 COVID-19 related deaths.

As part of Nigerian government efforts to contain the spread of COVID-19, a National Multi-Sectoral Pandemic Response Plan has been adopted which serves as a blueprint for a whole-of-Government response.

The COVID-19 response is based on eight key response pillars supported by other sectors, especially the construction of quarantine centers, isolation centers, water and sanitation and shelters for vulnerable population groups in IDP camps.

### **FINANCIAL PERFORMANCE OF OUR COMPANY**

Financial results showed a loss of N350,806,000.00 against the previous year ended 30th April 2019 loss of N241,634,000.00.

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Because of the challenging economic and financial situation in the year under review (2019/2020), our company made a loss and factors responsible for this loss can be summarized as follows:  
Reduction in Turnover by 33%: This was caused by non-availability of raw materials needed for the production as a result of Coronavirus pandemic and general economic situation in the country. However, reduction in our company turnover (33%) this year in spite of Covid-19 crisis was still better compared to last year which was 55%.

### **COVID-19 PANDEMIC:**

The country is still sluggishly grappling with recovery from the 2016 economic recession which was a fall out of global oil price crash and insufficient foreign exchange earnings to meet imports. However, the emergence of COVID-19 and its increasing incidence in Nigeria has called for drastic fall in the price of oil. Compared to events that led to recession in 2016, the current state of the global economy poses more difficulties ahead as the oil price is currently below US\$30 with projections that it will dip further going by the price war among key players in the industry. The reduction in the revenue from the price of oil also affects our company negatively.

### **REDUCTION IN OPERATION:**

Another major factor which contributed to the loss in our company in the year under review (2020) was due to the reduction in the operation. The industry's operation was reduced as a result of emergence of Covid-19 and general economic situations.

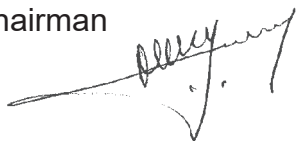
### **OVERHEAD EXPENSES:**

In spite of the reduction in the company operations, the overhead expenses continued to persist and increase as they are fixed cost and the company continues incurring these expenses in both Naira and foreign currency

### **DIVIDEND**

I am sorry to declare that because of the loss we have made in this Financial Year, no dividend shall be declared and paid. We hope and pray that the economy shall improve in the coming years. I would like to thank our esteemed customers, shareholders and other stakeholders for their continued support, understanding, whilst appreciating all staffs and Management for their demonstrated professionalism, commitment and zeal towards building and enduring institution. And to the entire Board, I want to say a big thank you for the confidence reposed in the business.  
Long Live Federal Republic of Nigeria  
Long Live Lagos State  
Long Live our company Nigerian Enamelware Plc.  
Thank you for your happy listening. May Allah bless you and your family.

ALHAJI M.A.OLA YUSUF,FCA  
Chairman



CC: Mr. Lewis Tung  
Mr. Robert Tung  
Mr. Lawrence Tung  
Mr. CL - Finance Controller  
Mr. Tokunbo Sanni - Company's secretary

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**RESULT AT A GLANCE**

	<b>30 April 2020 N'000</b>	<b>30 April 2019 N'000</b>	Inc/(Dec) %
Revenue	<b>497,933</b>	740,232	(33)
(Loss) before taxation	<b>(341,930)</b>	(238,940)	43
(Loss) after taxation	<b>(350,806)</b>	(241,634)	45
Issued share capital	<b>38,016</b>	38,016	-
Shareholders' funds	<b>831,339</b>	1,182,145	(30)

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**Per Share Data**

Based on 76,032,000 Ord. shares of 50k each  
(2019 - 76,032,000 Ord. shares of 50k each)

Earnings per share (kobo)	<b>(461)</b>	(318)	45
Net assets per share (kobo)	<b>1,093</b>	<b>1,555</b>	(30)
Number of shareholders	<b>3,268</b>	3,268	-
Number of employees	<b>267</b>	267	-



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**REPORT OF THE DIRECTORS**

The directors are pleased to submit to the members of the company their annual report together with the audited accounts for the year ended 30th April, 2020

**RESULTS**

The results of the company's operations for the year are as stated below:

	<b>30 April 2020 N'000</b>	<b>30 April 2019 N'000</b>
1 Revenue	<u><b>497,933</b></u>	<u><b>740,232</b></u>
(Loss) before taxation	<b>(341,930)</b>	<b>(238,940)</b>
Tax (expense)/benefit	<u><b>(8,876)</b></u>	<u><b>(2,694)</b></u>
(Loss) for the year	<u><b>(350,806)</b></u>	<u><b>(241,634)</b></u>

**2 LEGAL FORM**

The Company was incorporated in Nigeria on 21 May, 1960 as a private limited liability company.

It went public on 28 December, 1979 in compliance with the Indigenization Decree of 1977 and was granted a listing on the Nigerian Stock Exchange. It adopted its present name of Nigerian Enamelware Plc on 6, June, 1991 in compliance with the provisions of the Companies and Allied Matters Act, CAP C20, LFN 2004.

**3 PRINCIPAL ACTIVITIES**

The principal activities of the company are the manufacture and marketing of enamelware products.

**4 DIRECTORS**

1. The names of directors who served during the year are as listed on page 2.
2. In accordance with the Company's articles of Association, Messrs Lewis Tung and Paul Tung retire by rotation, and being eligible, offer themselves for re election.

3. Directors' Shareholdings		Number of shares of 50kobo each held as at	
		<b>30 April 2020</b>	<b>30 April 2019</b>
Alhaji (Chief) M.A. Ola Yusuf	Direct	<b>738,936</b>	738,936
	Indirect		
Mr. Philip Tung		-	-
Hadji (Chief) Tokunbo Alli		-	-
Mr. Lewis Tung		-	-
Mr. Paul Tung		-	-

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**REPORT OF THE DIRECTORS**

**5. Directors' other Interests**

No director has notified the company of any involvement or interest in any business contract with the company during the year.

As at 30th April, 2020, the unit price of the Company's share on the floor of the Nigerian Stock Exchange was N22.10

**6. SHAREHOLDINGS**

1. The shares of the company were beneficially held as follows: -

	Number of 50 kobo shares		
	<b>30 April 2020</b>	<b>30 April 2019</b>	<b>%</b>
I-Feng Company Ltd	<b>45,619,200</b>	45,619,200	60
Nigerian citizens and associations	<b><u>30,412,800</u></b>	<u>30,412,800</u>	<u>40</u>
	<b><u>76,032,000</u></b>	<u>76,032,000</u>	<u>100</u>

2. The range of shareholders at 30 April, 2020 was as follows:

Range	No. of shareholders	No. of units held
1-10,000	3101	14,091,975
10,001 -50,000	133	7,061,978
50,001 -100,000	20	3,379,715
100,001 -500,000	13	5,879,132
Over 1,000,000	1	45,619,200

No individual shareholders, except as noted above, held more than 5% of the issued share capital of the company at 30 April, 2020

**7. DIVIDEND**

The Directors recommend no dividend for the year.

**8. COMPANY'S SUPPLIERS**

Local supplies are from Universal Nigeria Industries Company Limited, a related company.

**9. EMPLOYMENT AND EMPLOYEES**

**Employment of disabled persons**

- 1 It is the policy of the company that there should be no discrimination in considering applications for employment including those from disabled persons. All employees, whether or not disabled, are given equal opportunities to widen their experience and knowledge and to qualify for promotion in furtherance of their careers. As at 30 April, 2020 six disabled persons were employed by the company.

**NIGERIAN ENAMELWARE PLC**  
***Financial Statements***  
***For the year ended 30 April, 2020***

**10. CORPORATE GOVERNANCE**

The Company is committed to the best practice and procedures in corporate governance. Its business is conducted in a fair, honest and transparent manner which conforms to high ethical standards. This enables the Board of Directors and Management to accomplish strategic objectives of the Company and to ensure corporate stability and growth for the benefit of all stakeholders.

The Board is responsible for corporate governance of the Company. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at anytime, the financial status of the company and ensures that the accounts comply with the Companies & Allied Matters Act, CAP C20, LFN 2004. (as amended)

They are also responsible for safeguarding the assets of the company by taking reasonable steps for the prevention and detection of fraud and other irregularities. The Board of Directors ensured that the Company's objectives were implemented during the year.

During the year under review, the Company was managed by a Board of five Directors consisting of two Non-Executive Directors and three Executive Directors who function as a full board or through any of the two under-listed committees constituted as follows:-

COMMITTEE	MEMBERSHIP	STATUS
Finance & General Purpose Committee	Alhaji (Chief) M A Ola Yusuf	Chairman
	Mr. Phillip Tung	Managing Director
	Mr. Lewis Tung	Executive Director
	Aare Hadji Tokunbo Alli	Executive Director
Audit Committee	Baale Sunday O. Ogunnowo -	Chairman
	Mr. Phillip Tung -	Member
	Aare Hadji Tokunbo Alli -	Member
	Mr. Lewis Tung -	Member
	Mrs. Oluwamayokun Kolawole	Member
	Mr. Moses Okorie	Member

# **NIGERIAN ENAMELWARE PLC**

## ***Financial Statements***

***For the year ended 30 April, 2020***

### **REPORT OF THE DIRECTORS**

**2 Health, safety at work and welfare of employees.**

Health and safety regulations are in force within the premises of the company. The company maintains a well-equipped clinic which is run by a qualified Nurse. In addition, the company has entered into agreement with private hospitals run by qualified Medical Doctors to whom serious cases of illness are referred for treatment.

**3 Employees involvement and training**

The Company is committed to keeping employees fully informed as much as possible regarding its performance and progress and seeking their views wherever practicable on matters which particularly affect them as employees.

Management, professional and technical expertise are the company's major assets and investment in developing such skills continues.

The company's expanding skill base has extended the range of training provided and has broadened opportunities for career development within the organization.

Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate.

**10. CHARITABLE GIFTS AND DONATIONS**

No donation was made by the Company during the year under review.

**11. AUDIT COMMITTEE**

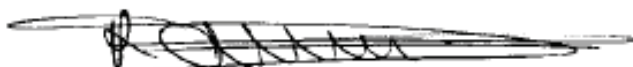
In accordance with Section 359 (3) of the Companies and Allied Matters Act, an audit committee of the Company was re-elected at the Annual General Meeting held in Abuja on 21<sup>st</sup> November, 2019 comprising of Mr. Phillip Tung, Baale Sunday A. Ogunmowo, Mrs. Oluwamayokun Kolawole, Mr. Moses Okorie, Aare Hadji Tokunbo Alli and Mr. Lewis Tung.

**12. AUDITORS**

Messrs OOP and Partners (Chartered Accountants) have expressed their willingness to continue in office as the Company's Auditors in accordance with Section 357 (2) of the Companies and Allied Matters Act CAP C20, LFN 2004.

A resolution will be proposed authorising the Directors to fix their remuneration.

BY ORDER OF THE BOARD



BAMOFIN OLATOKUNBO SANNI

FRC/2013/NBA/00000001153

COMPANY SECRETARY

IKEJA

LAGOS, NIGERIA

5<sup>th</sup> of August, 2020.

**NIGERIAN ENAMELWARE PLC**  
*Financial Statements*  
*For the year ended 30 April, 2020*

**INSIDER TRADING AND PRICE SENSITIVITY  
INFORMATION.**

The Company is clear in its prohibition of insider trading by its Board, Management, Officers and related persons who are privy to confidential price sensitive information. Such persons are further prohibited from trading in the Company's securities where such transactions would amount to insider trading. Directors, insiders and related parties are prohibited from disposing, selling, buying or transferring their shares in the Company for a period commencing from the date of receipt of such insider information until such a period when the information is released to the public or any other period as defined by the Company from time to time.

**COMPLAINTS AND MANAGEMENT POLICY**

The company has in place a functional Complaints Management Policy Framework in compliance with the Securities & Exchange Commission rule, which became effective in 2015. The Complaints Management Policy Framework is assessable to all shareholders, employees and customers on [www.wempco@wempco.com](mailto:www.wempco@wempco.com)

**NIGERIAN ENAMELWARE PLC**  
**Financial Statements**  
**For the year ended 30 April, 2020**

**BOARD MEETING**

Attendance at meetings during the year ended 30th April, 2020.

<b>DIRECTOR</b>	15/07/19	27/08/19	22/01/20	24/04/20
Alhaji (Chief) M A Ola Yusuf	√	√	√	√
Mr. Phillip Tung	√	√	√	√
Mr. Lewis Tung				
Mr. Paul Tung	√	√	√	√
Aare Hadji Tokunbo Alii	√	√	√	

**FINANCE & GENERAL PURPOSE COMMITTEE**

Attendance at meetings during the year ended 30th April, 2020.

	11/07/19	19/08/19	21/01/20	23/04/20
Alhaji (Chief) M A Ola Yusuf	√	√	√	√
Mr. Phillip Tung	√	√	√	√
Mr. Lewis Tung	√	√	√	√
Aare Hadji Tokunbo Alii	√	√	√	√

**AUDIT COMMITTEE MEETING**

Attendance at meetings during the year ended 30th April 2020.

	1/07/19	19/08/19	21/01/20	23/04/20
Mrs. Oluwamayokun Kolawole	√	√	√	√
Baale Sunday O. Ogunnowo -	√	√	√	√
Mr. Moses Okorie -	√	√		
Mr. Phillip Tung -	√	√	√	√
Aare Hadji Tokunbo Alii -	√	√	√	√
Mr. Lewis Tung -	√	√	√	√

**11. CHARITABLE GIFTS AND DONATIONS**

No donation was made by the Company during the year under review.

**12. AUDIT COMMITTEE**

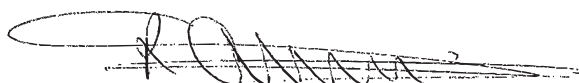
In accordance with Section 359 (3) of the Companies and Allied Matters Act, an Audit Committee of the Company was elected at the Annual General Meeting held in Abuja on 21st Nov. 2019 comprising of

Baale Sunday O. Ogunnowo -  
 Mr. Phillip Tung -  
 Aare Hadji Tokunbo Alii -  
 Mr. Lewis Tung -  
 Mrs. Oluwamayokun Kolawole  
 Mr. Moses Okorie

**13. AUDITORS**

Messrs OOP & Partners having indicated their willingness, will continue in office in accordance with S. 357 of the Companies and Allied Matters Act, CAP C20 LFN 2004, as amended. A resolution will be proposed at the Annual General Meeting authorising the Directors to determine their remuneration.

**BY ORDER OF THE BOARD**



Ikeja, Lagos

5th of August, 2020

**BAMOFIN OLATOKUNBO SANNI**  
 COMPANY SECRETARY

# **NIGERIAN ENAMELWARE PLC**

## ***Financial Statements***


***For the year ended 30 April, 2020***

### **REPORT OF AUDIT COMMITTEE TO THE MEMBERS OF THE NIGERIA ENAMELWARE PLC**

In accordance with the provisions of section 359 (6) of the Companies and Allied Matter Act, Cap C20 LFN 2004 (as amended), we confirm that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

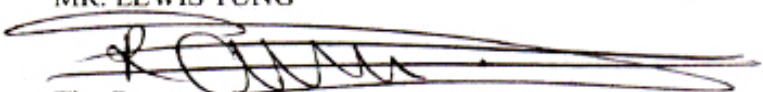
In our opinion, the scope and planning of the audit for the year ended 30<sup>th</sup> April 2020 together with the audited accounts were adequate, we also reviewed the Auditors' finding and were satisfied with Management responses thereto.

The Auditors, OOP & Partners have given an unqualified opinion in their report on the Financial Statements.

  
BAALE S.O. OGUNNOWO  
CHAIRMAN

#### Members of the Audit Committee

BAALE S.O. OGUNNOWO	-	Chairman
MRS. KOLAWOLE OLUWAMAKUN	-	Member
MR. MOSES OKORIE	-	Member
AARE HADJI TOKUNBO ALLI	-	Director
MR. PHILLIP TUNG	-	Director
MR. LEWIS TUNG	-	Director

  
The Company Secretary  
BAMOFIN OLATOKUNBO SANNI acted as  
SECRETARY to the Committee

IKEJA,  
LAGOS NIGERIA  
18<sup>th</sup> August 2020



# NIGERIAN ENAMELWARE PLC

## *Financial Statements*

*For the year ended 30 April, 2020*

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS**

The Directors of Nigerian Enamelware Plc. are responsible for the preparation of the financial statements that present fairly the financial position of the Company as at 30 April, 2020 and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act CAP C20 LFN 2004 and the Financial Reporting Council of Nigeria Act No.6, 2011.

In preparing the financial statements, the Directors are responsible for

- Properly selecting and applying accounting policies;
- Presenting information, including accounting policies in a manner that provides relevant, reliable comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient, to enable users understand the impact of particular transactions, and conditions on the Company's financial position and financial performance, and
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal Controls throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the Financial position of the Company, and which enable them to ensure that the Financial statements of the Company comply with IFRS,
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and preventing and detecting fraud and other irregularities.

The financial statements of the Company for the year ended 30 April, 2020 were approved by the Directors on 5<sup>th</sup> August, 2020.



Alh. M.A. Ola Yusuf  
Chairman  
FRC/2013/ICAN/00000004999



Phillip Tung  
Managing Director/CEO  
FRC/2013/IODN/00000005035



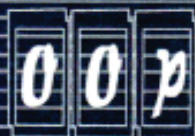
Lawrence I. Iseh  
Finance Manager  
FRC/2018/ICAN/00000018191



# NIGERIAN ENAMELWARE PLC

## *Financial Statements*

*For the year ended 30 April, 2020*



## *OOP & Partners*

**(Chartered Accountants)**

Head Office:  
58, Kudirat Abiola Way(2nd Floor)  
Oregun, Ikeja  
Lagos State, Nigeria  
E-mail: gwole.okin@gmail.com

Branch Office:  
17, Olayiwola Street  
New Oko-Oba, Abule Egba  
Lagos State, Nigeria  
Email: lomogoroye@yahoo.com

Postal Address:  
P. O. Box 6252  
Ikeja, Lagos State  
Nigeria

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NIGERIAN ENAMELWARE PLC**

We have audited the financial statements of **Nigerian Enamelware Plc** which comprise the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 April, 2020, the Statement of Financial Position as at 30 April, 2020, the Statement of Changes In Equity and Statement of Cash Flows for the year then ended and a Summary of Significant Accounting Policies and Explanatory Notes.

#### ***Opinion***

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company as at April 30, 2020 and of its loss and cash flows for the year then ended, and have been prepared in accordance with the requirements of the Companies and Allied Matters Act, CAP C20 LFN 2004 and the relevant statements of accounting standards issued by the Financial Reporting Council of Nigeria.

#### ***Basis of Opinion***

We conducted our audit in accordance with International Standards on Auditing issued by the International Federation of Accountants. Those standards require that we comply with ethical requirements, plan and perform the audit to obtain reasonable assurance as to whether the Financial Statements are free from material misstatement.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary to provide us with sufficient evidence to give a reasonable assurance that the financial statements are free from material misstatement. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements. The financial statements are in agreement with the financial records which have been properly kept and we obtained the information and explanations we required.

#### ***Key Audit Matters***

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

**NIGERIAN ENAMELWARE PLC**  
***Financial Statements***  
***For the year ended 30 April, 2020***



***Responsibilities of the Directors for the Financial Statements.***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

# NIGERIAN ENAMELWARE PLC

## *Financial Statements*

*For the year ended 30 April, 2020*



- conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

### ***Report on Other Legal and Regulatory Requirements***

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

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

Godwin Wole Okin FCA  
FRC/2013/ICAN/00000002915  
For: OOP & Partners.  
Chartered Accountants  
Lagos, Nigeria.  
5<sup>th</sup> August, 2020.





**NIGERIAN ENAMELWARE PLC**  
*Financial Statements*  
For the year ended 30 April, 2020

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		<b>30 April</b>	<b>30 April</b>
		<b>2020</b>	<b>2019</b>
	Notes	N'000	N'000
Revenue	4	497,933	740,232
Cost of sales	6a	<u>(747,659)</u>	<u>(792,146)</u>
<b>Gross (Loss)</b>		<b>(249,726)</b>	<b>(51,914)</b>
Administrative expenses	6b	<u>(60,006)</u>	<u>(89,135)</u>
<b>Operating (Loss)</b>		<b>(309,732)</b>	<b>(141,049)</b>
Other gains	7	142,074	91,706
Finance cost	9	<u>(174,272)</u>	<u>(189,596)</u>
<b>Loss before tax</b>		<b>(341,930)</b>	<b>(238,939)</b>
Tax expense	10	<u>(8,876)</u>	<u>(2,694)</u>
<b>Loss for the year</b>	11	<b>(350,806)</b>	<b>(241,633)</b>
Other comprehensive income/(loss)		<u>-</u>	<u>-</u>
<b>Total comprehensive loss</b>		<b><u>(350,806)</u></b>	<b><u>(241,634)</u></b>
<b>Earnings per share (kobo)</b>			
Basic and diluted earnings per share	12	<b><u>(461)</u></b>	<b><u>(318)</u></b>

The accompanying notes on pages 28 to 66 and other national disclosure statements on pages 67 and 68 form an integral part of these financial statements.

# NIGERIAN ENAMELWARE PLC

## *Financial Statements* *For the year ended 30 April, 2020*

### STATEMENT OF FINANCIAL POSITION

	Notes	30 April 2020 N'000	30 April 2019 N'000
<b>Non-current assets</b>			
Property, plant and equipment	13	918,792	901,576
<b>Total non-current assets</b>		<b>918,792</b>	<b>901,576</b>
<b>Current assets</b>			
Inventories	14	587,573	853,336
Trade and other receivables	15	3,478,811	2,616,156
Bank balances	16	2,623	10,562
<b>Total current assets</b>		<b>4,069,007</b>	<b>3,480,054</b>
<b>Total assets</b>		<b>4,987,799</b>	<b>4,381,630</b>
<b>Equity</b>			
Share capital	18	38,016	38,016
Other reserves	19	18,177	18,177
Retained earnings	20	775,146	1,125,952
<b>Total equity</b>		<b>831,339</b>	<b>1,182,145</b>
<b>Non-current liabilities</b>			
Deferred tax liability	10.4	256,375	249,989
<b>Total non-current liabilities</b>		<b>256,375</b>	<b>249,989</b>
<b>Current liabilities</b>			
Borrowings	21	-	508,333
Trade and other payables	22	3,803,300	2,346,367
Current tax liabilities	10.3	96,786	94,796
<b>Total current liabilities</b>		<b>3,900,086</b>	<b>2,949,496</b>
<b>Total liabilities</b>		<b>4,156,460</b>	<b>3,199,485</b>
<b>Total equity and liabilities</b>		<b>4,987,799</b>	<b>4,381,630</b>

The financial statements were approved by the Board of Directors on 5th August, 2020 and signed by:-

  
Alh. M.A. Olay Yusuf  
Chairman

FRC/2013/ICAN/00000004999

  
Phillip Tung  
Managing Director/CEO

FRC/2013/IODN/00000005035

  
Lawrence I. Iseh  
Finance Manager

FRC/2018/ICAN/00000018191

The accompanying notes on pages 28 to 66 and other national disclosure statements on pages 67 and 68 form an integral part of these financial statements.

**NIGERIAN ENAMELWARE PLC**  
*Financial Statements*  
For the year ended 30 April, 2020

**STATEMENT OF CHANGES IN EQUITY**

	<b>AT 30 APRIL, 2020</b>			
	<b>Share Capital N'000</b>	<b>Other Reserves N'000</b>	<b>Retained earnings N'000</b>	<b>Total N'000</b>
<b>Balance at 30 April, 2019</b>	<b>38,016</b>	<b>18,177</b>	<b>1,125,952</b>	<b>1,182,145</b>
Loss for the year	-	-	(350,806)	(350,806)
<b>Balance at 30 April, 2020</b>	<b>38,016</b>	<b>18,177</b>	<b>775,146</b>	<b>831,339</b>

	<b>AT 30 APRIL, 2019</b>			
	<b>Share Capital N'000</b>	<b>Other Reserves N'000</b>	<b>Retained earnings N'000</b>	<b>Total N'000</b>
<b>Balance at 30 April, 2018</b>	<b>38,016</b>	<b>18,177</b>	<b>1,367,586</b>	<b>1,423,779</b>
Loss for the year		-	(241,634)	(241,634)
<b>Balance at 30 April, 2019</b>	<b>38,016</b>	<b>18,177</b>	<b>1,125,952</b>	<b>1,182,145</b>

The accompanying notes on pages 28 to 66 and other national disclosure statements on pages 67 and 68 form an integral part of these financial statements.

**NIGERIAN ENAMELWARE PLC**  
*Financial Statements*  
*For the year ended 30 April, 2020*

**STATEMENT OF CASH FLOWS**

		<b>30 April</b>	<b>30 April</b>
		<b>2020</b>	<b>2019</b>
	Notes	N'000	N'000
<b>Cash flow from operating activities</b>			
Cash receipt from customers and related parties		<b>1,084,864</b>	988,964
Cash paid to suppliers and employees		<b>(340,658)</b>	(458,697)
Net value added tax paid		<b>(99)</b>	(1,047)
Income taxes paid		<b>(500)</b>	(8,700)
		<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	26	<b>743,607</b>	520,520
		<hr/>	<hr/>
<b>Cash flow from investing activities</b>			
Additions to Plant and Machinery	8	<b>(68,941)</b>	-
		<hr/>	<hr/>
<b>Cash flow from financing activities</b>			
Interest paid	9	<b>(174,272)</b>	(189,596)
		<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>500,394</b>	330,924
<b>Cash and cash equivalents at beginning of year</b>		<b>(497,771)</b>	(828,695)
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	17	<b>2,623</b>	(497,771)
		<hr/>	<hr/>

**NIGERIAN ENAMELWARE PLC**  
*Financial Statements*  
*For the year ended 30 April, 2020*

**NOTES TO THE FINANCIAL STATEMENTS**

**2 Significant accounting policies**

**2.1 Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs)

**2.2 Basis of preparation**

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in note 3.

**2.3 Revenue Recognition**

Revenue is generated from the sale of enamelware, plastic products and galvanised buckets. Revenue is measured at the fair value of the consideration received or receivable and represents amount received or receivable for goods and services provided in the normal course of business.

**2.3.1 Revenue from sale of goods**

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- \* The Company has transferred to the buyer the significant risks and rewards of ownership of the goods,
- \* The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- \* The amount of revenue can be measured reliably;
- \* It is probable that the economic benefits associated with the transaction can be measured reliably.

**2.3.2 Interest Income**

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.



# **NIGERIAN ENAMELWARE PLC**

## ***Financial Statements***

***For the year ended 30 April, 2020***

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1 Description of business**

Nigerian Enamelware Plc was incorporated in Nigeria on 21st of May 1960 as a limited liability company. It went public on 28 December 1979 in compliance with the Indigenisation Decree of 1977 and was granted a listing on the Nigerian Stock Exchange. It adopted its present name of Nigerian Enamelware Plc on 6 June 1991 in compliance with Companies and Allied Matters Acts, CAP C20, LFN 2004. The holding Company is I. Feng Limited incorporated in Hong Kong and holds 60% of the Company's equity.

Nigerian Enamelware Plc is engaged in the manufacturing and marketing of enamelware, plastic products and galvanised bucket. Raw materials consisting of steel coils, enamel and moulds are obtained from local and overseas suppliers.

The Company's registered business address is 18 Wempco Road, Ikeja Industrial Estate.

#### **1.1 Composition of financial statements**

The financial statements are drawn up in Naira, the functional currency of Nigerian Enamelware Plc, in accordance with International Financial Reporting Standards (IFRS). The financial statements comprise

- \* Statement of profit or loss and other comprehensive Income
- \* Statement of financial position
- \* Statement of changes in equity
- \* Statement of cash flows
- \* Notes to the financial statements
- \* Other non-IFRS Statements

#### **1.2 Financial period**

These financial statements cover the financial year ended 30 April, 2020, with comparative amounts for the financial year ended 30 April, 2019.

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**2.3.3 Dividend Income**

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

**2.4 Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. All operating segments are reviewed periodically by the Companies Board of Directors (BOD) to make decisions and assess its performance. The Company's primary format for segment reporting is based on business segments. The Company has three major business segments: Sale of Enamelware, sale of plastic and sale of Galvanised bucket. Revenue and cost represent operating revenues and expenses respectively that are directly attributable to each business segment, The Company's business segments are presented by line of business that are subject to similar risks and returns. All Company's revenue is derived from Nigeria.

**2.5 Foreign currency transactions**

The financial statements of Nigerian Enamelware are presented in Naira, which is the Company's functional currency. In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at each reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Any resulting exchange differences are included in administration expenses in the statement of profit or loss, except from differences on available-for-sale non-monetary financial assets, which are included in the available-for-sale reserve in other comprehensive income. Non-monetary items of historic cost, that are denominated in foreign currency, are translated at the date of original transaction, and are not re-translated.

Exchange differences arising on the settlement of monetary items are included in profit or loss for the year.

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**NOTES TO THE FINANCIAL STATEMENTS**

**2.6 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**2.6.1 Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

**2.6.2 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset.

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**2.7 Earnings per share (EPS)**

Earnings per share are based on the profit after taxation and weighted average number of ordinary shares outstanding at the end of each financial year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effect of all dilutive potential ordinary shares which comprises convertible notes and share options granted to employees.

**2.8 Employee benefits**

**2.8.1 Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payment is available. The Company make provisions for retirement benefits in accordance with the Pension Reform Act 2004 as amended. Employer and employees contribute 10% and 8% respectively of basic salary, transport and housing allowances for each employee.

Employees' contributions are deducted from payroll while employer's contributions are charged to profit or loss.

**2.8.2 Defined benefit scheme**

For defined retirement benefit plans, the Company also makes provision for gratuity which is payable yearly based on the practice in the aluminium industry. Obligation on gratuity to employees is accrued from beginning of every year with payments made yearly to employees. Gratuity is carried as a current liability as it is paid yearly.

**2.8.3 Other employee benefits**

Other short and long term employee benefits, are recognised as an expense over the period in which they accrue.

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**2.9 Inventories**

Inventories comprise goods held in the ordinary course of business; materials held in the process of production for such sale and in the form of materials or supplies to be consumed in the production process or in the rendering of services. These are valued at the lower of cost and net realisable value. Costs include purchase cost, conversion cost (materials, labour and overheads) and other costs incurred in bringing the inventories to their present location and condition. Inventories are valued using the weighted average method. The amount of any written down value of inventory to net realisable value and all losses of inventory is recognised as an expense in the period the write down or loss occurs.

**2.10 Property plant and equipment**

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and any impairment losses. The cost of self-constructed assets includes the costs of materials and direct labour. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Freehold land is not depreciated. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

	<b>Useful Life (years)</b>
Leasehold land and buildings	Over the term of the lease
Plant and machinery	20 years
Furniture and equipment	10 years
Motor vehicles	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

**2.11 Intangible assets**

**2.11.1 Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**2.11.2 Internally-generated intangible assets - Research and development expenditure**

**\* Research expenditure**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

**\* Development expenditure**

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised when all of the following have been demonstrated:

- a. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- b. the intention to complete the intangible asset and use or sell it;
- c. the ability to use or sell the intangible asset;
- d. how the intangible asset will generate probable future economic benefits;
- e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

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- f. the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**2.11.3 De-recognition of intangible assets**

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

**2.12 Impairment of tangible and intangible assets excluding goodwill**

At each balance sheet date, the Company reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate independent cash flows from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

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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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**2.13 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as provisions is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**2.14 Non-current assets held for sale and discontinued operations**

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

**2.15 Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition, except for transaction costs relating to financial assets or financial liabilities at fair value through profit or loss, which are recognised immediately in profit or loss.



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**2.16 Financial assets**

Financial assets are classified into: (a) loans and receivables (b) held-to-maturity investments (c) Available-for-sale and (d) financial assets at fair value through profit or loss. Financial assets are subsequently measured based on their nature and purpose as determined at initial recognition. The company does not have financial assets classified as held-to-maturity, available-for-sale and at fair value through profit or loss.

• **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including [trade and other receivables and cash and bank balances are subsequently measured at amortised cost using the effective interest method, less any impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. The losses arising from impairment are recognised in the income statement in finance costs. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

• **Cash and cash equivalents**

Cash and cash equivalents are comprised of cash in hand and highly liquid short-term investments that are easily convertible into known amounts of cash and are subject to insignificant risks of changes in value.

**2.16.1 Impairment of financial assets**

Financial assets, other than those at Fair value through Profit or Loss (FVTPL) are assessed for indicators of impairment at the end of each reporting period.

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

**Available for sale assets**

For available-for-sale investments, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment. Impairment losses are recognised in the profit or loss for equity investments and are not subsequently reversed through the profit or loss. Cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve.

For available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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**Loans and receivables**

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying value and the present value of estimated future cash flows, discounted at the financial asset's original effective rate. If, in a subsequent period, the amount of the impairment loss decreases as a result of an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset, such impairment loss will not be reversed in subsequent periods.

**Trade and other receivables**

Trade receivables do not carry any interest and are stated at their nominal values as reduced by appropriate allowance for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience individual trade receivables are written off when management deems them not to be collectible.

**2.16.2 De-recognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

**2.17 Financial liabilities**

The Company does not have financial liabilities classified at fair value through profit or loss.

Other financial liabilities (including borrowings and trade and other payables) are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability and subsequently measured at amortised cost using the effective interest method.

**Using the effective interest method.**

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

**Trade and other payables**

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

**Borrowings**

Financial liabilities, such as bond loans and other loans from credit institutions are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, they are stated at amortised cost with any difference between cost and redemption value being recognised in the profit or loss over the period of the borrowings on an effective interest basis.

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**2.17.1 De-recognition of financial liabilities**

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

**2.18 Dividends**

Final dividends are recognized as a liability in the year in which they are approved by the Company in the general meeting. Interim dividends are recognized when they are paid.

**2.19 Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**The Company as lessor**

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight— line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight— line basis over the lease term.

**The Company as lessee**

Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**3.1 Critical judgements in applying accounting policies**

The following are the critical judgements, apart from those involving estimations (see note 4.2 below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**3.1.1 Revenue recognition**

Revenue is generated from the sale of enamelware, plastic products and galvanised bucket. Revenue is measured at the fair value of the consideration received or receivable and represents amount received or receivable for goods and services provided in the normal course of business.

**3.1.2 Write down of inventories to net realisable value**

There was no write down of inventories to net realisable value during the year.

**3.2 Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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**3.2.1 Useful life of property, plant and equipment**

Leasehold land and Buildings	Over the term of the lease
Plant and Machinery	20 years
Furniture and Fittings	10 years
Motor Vehicles	3 years

**3.2.2 Allowance for doubtful debts/receivables**

Impairment assessment of receivables is done continuously in order to reduce the Company's financial exposure to any losses on bad debts an allowance is established to reduce Company's net accounts receivable and profit is decreased by the amount of losses expected to occur.

**3.2.3 Impairment of finance assets**

There was no impairment of financial assets during the year.



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**4 Revenue**

Revenue for goods supplied and services rendered is arrived at after deducting trade discounts.

	<b>30 April 2020 N'000</b>	<b>30 April 2019 N'000</b>
Revenue within Nigeria	497,933	740,232
	<b>497,933</b>	<b>740,232</b>

**5 Segment Reporting**

**5.1 Products and services from which reportable segments derive their revenues**

Information reported to the Company's Board of Directors for the purposes of resources allocation and assessment of segment performance is focused on the category of products for each type of activity. The principal categories are Enamelware and Plastic. The entity's reportable segments under IFRS 8 are therefore as follows:

Enamelware  
Plastic

**5.2 Segment Revenue and Results**

	<b>30 April 2020</b>		
	<b>Segment Revenue N'000</b>	<b>Cost of sales N'000</b>	<b>Gross Profit N'000</b>
Enamelware	412,768	(628,034)	(215,266)
Plastic	85,165	(119,625)	(34,460)
	<b>497,933</b>	<b>(747,659)</b>	<b>(249,726)</b>
Operating expenses			(60,006)
<b>Operating profit</b>			(309,732)
Other gains and losses			142,074
Finance costs			(174,272)
<b>Loss before tax</b>			<b>(341,930)</b>

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**5.2 Segment Revenue and Results**

	<b>30 April 2019</b>		
	<b>Segment Revenue N'000</b>	<b>Cost of sales N'000</b>	<b>Gross Profit N'000</b>
Enamelware	724,851	(707,422)	17,429
Plastic	15,381	(61,515)	(46,134)
	<b>740,232</b>	<b>(768,937)</b>	<b>(28,705)</b>
Operating expenses			(73,136)
<b>Operating profit</b>			(101,841)
Other gains and losses			52,497
Finance costs			(189,596)
<b>Loss before tax</b>			<b>(238,940)</b>

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 3. Segment profit represents the gross profit earned by each segment without allocation of general operating expenses, other gains and losses recognised on investment income, other gains and losses as well as finance costs.

This is the measure reported to the Board of Directors for the purpose of resource allocation and assessment of segment performance.

**5.3 Geographical information**

The company operates in one geographical area - Nigeria.

**5.4 Segment assets and liabilities**

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

# NIGERIAN ENAMELWARE PLC

## *Financial Statements*

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### NOTES TO THE FINANCIAL STATEMENTS

	30 April 2020 N'000	30 April 2019 N'000
<b>6a Cost of sales</b>		
Material consumed	289,268	170,572
Direct wages	300,807	407,045
Depreciation	51,658	48,212
Other product overheads	105,926	127,109
Provision for impairment loss on obsolete stocks	-	39,209
	<u>747,659</u>	<u>792,146</u>
<b>6b Administrative expenses</b>		
Directors' fees	1,065	1,065
Directors' other Emoluments	4,612	4,612
Staff cost (Note 6b.1)	26,202	27,532
Transport & travelling expenses	4,033	4,107
Medical expenses	-	428
Stationery and office supplies	545	1,103
Rent and rates	1,694	3,679
Motor running expenses	2,096	186
Subscriptions	130	2,835
Legal and professional fees	4,156	10,962
Bank commission and charges	370	1,968
General expenses	10,036	25,592
Audit fee	5,000	5,000
Depreciation	67	67
	<u>60,006</u>	<u>89,135</u>
<b>6b.1 Staff cost</b>		
Salaries	8,124	10,381
Pension - Employer's Contributions	18,078	17,151
	<u>26,202</u>	<u>27,532</u>

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	<b>30 April 2020 N'000</b>	<b>30 April 2019 N'000</b>
<b>7 Other gains and (losses)</b>		
Prior year provisions no longer required	-	91,706
Interest on Overdraft (Polaris Bank) no longer required (Note 8)	<u><b>142,074</b></u>	<u>-</u>
	<u><b>142,074</b></u>	<u><b>91,706</b></u>
<b>8</b> Amount represents interest accrued in prior year on Polaris Bank loan taken over by AMCON but waived on repayment of principal in current year		
<b>9 Finance cost</b>		
Interest on bank overdrafts	<u><b>174,272</b></u>	<u><b>189,596</b></u>

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	<b>30 April 2020 N'000</b>	<b>30 April 2019 N'000</b>
<b>10 Taxation</b>		
<b>10.1 Income tax recognised in profit or loss</b>		
<u>Current tax expense in respect of the current year:</u>		
Income tax	2,490	-
Education tax	-	-
	<b>2,490</b>	-
<b>Deferred tax expense/(written back)</b>	<b>6,386</b>	2,694
Tax expense per profit or loss statement	<b>8,876</b>	2,694
Corporation tax is calculated at 30 per cent (2019: 30 per cent) of the estimated taxable profit for the year. The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 as amended.		
The charge for education tax of 2 per cent (2019: 2 per cent) is based on the provisions of the Education Tax Act, CAP E4, LFN 2004.		
<b>10.2 Taxation</b>		
Reconciliation of income tax expense for the year to the accounting profit as per profit or loss:		
(Loss) / Profit before tax	<b>(341,930)</b>	(238,940)
Tax at the statutory corporation tax rate of 30%	<b>(102,579)</b>	(71,682)
Education tax at 2% of assessable profit	-	-
Effect of income that is exempt from taxation	15,517	14,484
Effect of expenses that are not deductible in determining taxable profit		11,763
Effect of concessions (research and development and other allowances)		27,283
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	87,062	18,153
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	6,386	2,694
Adjustments recognised in the current year for current tax of prior years		
Effect on deferred tax balances due to the change in income tax rate	2,490	-
Effect of minimum tax		
Other (describe)	<b>8,875</b>	2,694
Adjustments in the current year for current tax of prior years	-	-
<b>Income tax (benefit) / expense recognised in profit or loss for continuing operations.</b>	<b>8,875</b>	2,694
<b>10.3 Current tax liabilities</b>		
At beginning	94,796	103,496
Charge for the year	2,490	-
Payments during the year	(500)	(8,700)
At end	<b>96,786</b>	<b>94,796</b>

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**10.4 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting periods.

<b>AT 30 APRIL 2020</b>					
	<b>Property, equipment N'000</b>	<b>Foreign plant and exchange difference N'000</b>	<b>Losses N'000</b>	<b>Provisions N'000</b>	<b>Total N'000</b>
<b>At 1 May 2019</b>	<b>249,989</b>	-	-	-	<b>249,989</b>
Charge to profit or loss	6,386	-	-	-	6,386
Charged to other comprehensive income	-	-	-	-	-
Charged directly to equity	-	-	-	-	-
Reclassification	-	-	-	-	-
Other(describe)	-	-	-	-	-
<b>At 30 April 2020</b>	<b>256,375</b>	-	-	-	<b>256,375</b>

<b>AT 30 APRIL 2019</b>					
<b>At 1 May 2018</b>	<b>247,295</b>	-	-	-	<b>247,295</b>
Charged to profit or loss	2,694	-	-	-	2,694
Charged to other comprehensive income	-	-	-	-	-
Charged directly to equity	-	-	-	-	-
Reclassification from equity to profit or loss	-	-	-	-	-
Other (describe)	-	-	-	-	-
<b>At 30 April 2019</b>	<b>249,989</b>	-	-	-	<b>249,989</b>

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax assets (liabilities) after offset presented in the statement of financial position:

	<b>30 April 2020 N'000</b>	<b>30 April 2019 N'000</b>
Deferred tax liabilities	249,989	247,295
Charge in the year	6,386	2,694
	<b>256,375</b>	<b>249,989</b>



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	30 April 2020 N'000	30 April 2019 N'000
<b>11 Loss for the year</b>		
Loss for the year has been arrived at after charging:		
Depreciation of property, plant and equipment	51,725	48,278
Employee benefits expense	332,687	501,575
Audit fees	5,000	5,000
Directors' emoluments	5,677	5,677
Impairment loss (write back) recognised on trade receivables	-	(90,942)

**12 Earnings per share**

Earnings per share are calculated on the basis of profit after taxation and the number of issued and fully paid ordinary shares of each financial year.

<b>Basic/diluted earnings per share (kobo)</b>	<u>(461)</u>	<u>(318)</u>
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**12.1 Basic/diluted earnings per share**

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are:

**Earnings from continuing operations**

Profit for the year attributable to owners of the Company	(350,806)	(241,633)
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**Number of shares**

Number of ordinary shares for the purposes of basic and diluted earnings per share	<u>76,032</u>	<u>76,032</u>
--	---------------	---------------

Earnings per share(kobo)-basic and diluted	<u>(461)</u>	<u>(318)</u>
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The denominators for the purposes of calculating both basic and diluted earnings per share is based on issued and paid ordinary shares of 50 kobo each.

**12.2 Impact of changes in accounting policies**

There were no changes in the Company's accounting policies during the year that impacted earnings per share.

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**13 Property, plant and equipment**

	<b>Leasehold land and building N'000</b>	<b>Plant and machinery N'000</b>	<b>Furniture and equipment N'000</b>	<b>Motor vehicles N'000</b>	<b>Total N'000</b>
<b>Cost/Valuation</b>					
<b>At 1 May, 2019</b>	536,433	749,661	667	1,169	1,287,930
<b>Additions during the year</b>	-	68,941	-	-	68,941
<b>At 30 April, 2020</b>	<u>536,433</u>	<u>818,602</u>	<u>667</u>	<u>1,169</u>	<u>1,356,871</u>
<b>Accumulated depreciation</b>					
<b>At 1 May, 2019</b>	86,286	298,329	570	1,169	386,354
<b>Charge for the year</b>	10,729	40,930	67	-	51,725
<b>At 30 April, 2020</b>	<u>97,015</u>	<u>339,259</u>	<u>637</u>	<u>1,169</u>	<u>438,079</u>
<b>Carrying amount</b>					
<b>At 30 April, 2020</b>	<u><b>439,418</b></u>	<u><b>479,343</b></u>	<u><b>30</b></u>	<u><b>-</b></u>	<u><b>918,792</b></u>
<b>At 30 April, 2019</b>	<u>450,147</u>	<u>451,332</u>	<u>97</u>	<u>-</u>	<u>901,576</u>

13.1 **Impairment losses recognised in the year**

There were no impairment losses recognized during the year (30/4/2019: Nil)

13.2 **Contractual commitments**

At 30 April, 2020 the Company has no contractual commitments for the acquisition of property, plant and equipment (30/4/2019: Nil)

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	<b>30 April 2020 N'000</b>	<b>30 April 2019 N'000</b>
<b>14 Inventories</b>		
Raw materials (Note 14.1)	117,307	204,015
Work in progress	49,303	53,921
Finished goods	429,393	643,741
	<u>596,003</u>	<u>901,677</u>
Less: Allowance for obsolete inventories	<u>(8,430)</u>	<u>(48,341)</u>
	<u><b>587,573</b></u>	<u><b>853,336</b></u>
14.1 The cost of inventories recognised as an expense during the year in respect of continuing operations is nil (2019: N39.2million)		
14.2 No inventory was pledged as security for liabilities		
<b>15 Trade and other receivables</b>		
15.1 <b>Trade receivables:</b>		
Trade receivables from third parties	14,201	-
Trade receivables from related parties (Note 23.3)	3,439,154	2,581,711
	<u>3,453,355</u>	<u>2,789,815</u>
Less: Allowance for impairment loss		
- on third parties	-	-
- on related parties (Note 23.3)	<u>(1,526)</u>	<u>(1,526)</u>
	<u><b>3,451,829</b></u>	<u><b>2,580,185</b></u>
15.2 <b>Other receivables:</b>		
Prepayments	-	290
Staff debtors	220	-
Sundry Debtors	26,762	35,682
	<u>26,982</u>	<u>35,972</u>
<b>Trade and other receivables</b>	<u><b>3,478,811</b></u>	<u><b>2,616,156</b></u>

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

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15 **Trade and other receivables (continued)**

15.3 Movement in the allowance for doubtful debts	30 April 2020 N'000	30 April 2019 N'000
Balance at the beginning of the period	1,526	92,468
Impairment losses (write back) recognised	-	(90,942)
<b>Balance at the end of the year</b>	<b>1,526</b>	<b>1,526</b>

In determining the recoverability of a trade receivable the Company considers any change in the credit quality of the trade receivable from the date credit was granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

15.4 **Trade receivables**

Trade receivables disclosed above are financial instruments classified as loans and receivables and are therefore measured at amortised cost.

The average credit period taken on sales of goods is 30 days. No interest is charged on the overdue receivables. The company has recognised an allowance for doubtful debts of 100% against all receivables over 365 days because historical experience has been that receivables that are past due beyond 365 days are not likely recoverable.

Allowances against doubtful debts are recognised against trade receivables outstanding for more than 365 days based on estimated irrecoverable amount determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

Before accepting any new customer, the Company uses an internal credit process to assess the potential customer's credit quality and defines credit limits by customer.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the reporting date and against which the Company has recognised an allowance for doubtful receivables.

The Company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

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**15.5 Age of receivables past due but not impaired**

	30 April 2020			
	0-180 days N'000	181- 365days N'000	365 and above N'000	<b>Total N'000</b>
Trade receivables from third parties	14,201	-	-	14,201
Trade receivables from related parties	3,437,628	-	1,526	3,439,154
	<b>3,451,829</b>	<b>-</b>	<b>1,526</b>	<b>3,453,355</b>

	30 April 2019			
	0-180 days N'000	181- 365days N'000	365 and above N'000	<b>Total N'000</b>
Trade receivables from third parties	-	-	-	-
Trade receivables from related parties	2,480,306	99,878	1,526	2,581,710
	<b>1,677,575</b>	<b>1,019,772</b>	<b>92,468</b>	<b>2,789,815</b>

**Age of receivables past due and impaired**

	<b>30 April 2020 N'000</b>	<b>30 April 2019 N'000</b>
Trade receivables from third parties	-	-
Trade receivables from related parties	1,526	1,526
	<b>1,526</b>	<b>1,526</b>

**16 Bank balances**

	<b>2,623</b>	10,562
	<b>2,623</b>	<b>10,562</b>

**17 Cash and cash equivalents**

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

	<b>N'000</b>	<b>N'000</b>
Cash and bank balances	2,623	10,562
<b>Less: Bank overdraft</b>		
Guaranty Trust Bank	-	(209,489)
	2,623	(198,927)
Other Borrowing (Note 21)	-	(298,844)
Cash and cash equivalents	<b>2,623</b>	<b>(497,771)</b>

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	<b>30 April 2020 N'000</b>	<b>30 April 2019 N'000</b>
<b>18 Share capital</b>		
<b>Authorised, Issued and fully paid:</b>		
240,000,000 ordinary shares of 50k each	<u><b>120,000</b></u>	<u>120,000</u>
<b>Issued and fully paid:</b>		
At Beginning	<u><b>38,016</b></u>	<u>38,016</u>
At End (76,032,000 ordinary shares of 50k each)	<u><b>38,016</b></u>	<u>38,016</u>
<b>19 Other Reserves</b>		
Unclaimed Dividends	<u><b>18,177</b></u>	<u>18,177</u>
	<u><b>18,177</b></u>	<u>18,177</u>
Other reserves represent 90% of total unclaimed dividends over 12 years old refunded by the Registrars to be invested in interest yielding securities in accordance with SEC regulations.		
<b>20 Retained earnings</b>		
At beginning	<b>1,125,952</b>	1,367,586
(Loss) attributable to owners of the Company	<u><b>(350,806)</b></u>	<u>(241,634)</u>
At end	<u><b>775,146</b></u>	<u>1,125,952</u>
<b>21 Borrowings</b>		
<b>Amortised cost</b>		
Bank overdraft (Note 21.1)	-	209,489
Other Borrowing (Asset Management Corporation of Nigeria)	<u>-</u>	<u>298,844</u>
	<u><b>-</b></u>	<u>508,333</u>
Current	<u><b>-</b></u>	<u>508,333</u>

**21.1** Bank Overdrafts are secured by a negative pledge ranking pari passu on the assets of the Company.



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	<b>30 April 2020 N'000</b>	<b>30 April 2019 N'000</b>
<b>22 Trade and other payables</b>		
Trade payable to third parties	137,334	80,346
<b>Other payables:</b>		
Amount due to related companies (Note 23.3)	3,279,568	1,957,037
VAT payable	208,480	183,195
Accrued expenses	52,130	72,637
Accrued co-operative contribution	13,737	22,211
Accrued employee benefits	32,650	4,400
Accrued staff pension deductions	74,443	19,553
Withholding tax payable	3,808	3,813
Other Creditors	1,150	3,176
	<b>3,803,300</b>	<b>2,346,367</b>

Trade creditors and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. The Company has financial risk management policies in place as well as efficient and effective treasury management policies to ensure that all payables are paid within the pre-agreed credit terms.

The directors consider that the carrying amount of trade and other payables approximate to their fair value.

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### NOTES TO THE FINANCIAL STATEMENTS

#### 23 Related party information

The following details of relationship, details of transactions and outstanding balances between the Company and its related parties during the year are disclosed below:

##### 23.1 Related parties to the Company

Entities	Relationship	Nature of transactions
I. Feng Company Limited	Parent Company with Ownership of 60% of share capital	None
General Metalware Co. Ltd	Fellow subsidiary	None
Gloria Investment Ltd	Fellow subsidiary	None
Ken-Feraro Nigeria Ltd	Fellow subsidiary	None
Lagos Oriental Hotel Ltd	Fellow subsidiary	None
Omo Wood Products Co. Ltd	Fellow subsidiary	Sales
Porcelainware Industries Ltd	Fellow subsidiary	Sales
Prime Nigeria Tiles Co. Ltd	Fellow subsidiary	Sales
Standard Industrial Development co. Ltd	Fellow subsidiary	None
Superior Metal Manufacturing Co. Ltd	Fellow subsidiary	None
Universal Nigeria Industries Co. Ltd	Fellow subsidiary	Purchases
Wempco Steel Mills Co. Ltd	Fellow subsidiary	None
Western Metal Products Co. Ltd	Fellow subsidiary	Sales and purchases
Wiseway Agro Products Co. Ltd	Fellow subsidiary	None

The ultimate controlling party of the entity is I-Feng Company Limited.

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**23.2 Related Party trade transactions**

The company entered into transactions with its related parties during the year and transactions conducted resulted to the balances analysed below:

	Sales of goods and services		Purchase of goods and services	
	30/4/2020	30/4/2019	30/4/2020	30/4/2019
	N'000	N'000	N'000	N'000
Western Metal Products Co. Ltd	-	2,429	-	-
Wempco Steel Mills Co.Ltd	-	-	69,813	64,190
Prime Nigeria Tiles Co Ltd	-	12,952	-	-
Procelainware Industries Ltd	-	-	-	-
Universal Nigeria Industries Co. Ltd	16,465	-	422,081	104,099
Mordern Steel Mills Industries Ltd.	-	-	-	108,023
Omo Wood Products Co. Ltd	7,822	75	-	-
Advance Steel Structure Co. Ltd	-	-	-	68

**23.3 Analysis of the oustanding balances at the reporting date:**

	Due from related parties		Due to related parties	
	30/4/2020	30/4/2019	30/4/2020	30/4/2019
	N'000	N'000	N'000	N'000
Universal Nigeria Industries Co. Ltd - Advance	713,489	713,489	-	-
Universal Nigeria Industries Co. Ltd - Current A/C	1,976,093	1,198,264	-	-
Universal Nigeria Industries Co. Ltd - CIT	-	112,780	-	-
Superior Metal Manufacturing Limited	-	-	81,900	81,900
Western Metal Products Company Limited	-	-	1,053,195	324,224
Standard Industrial Development Co. Ltd	-	-	16,000	21,200
Prime Nigeria Tiles Co. Ltd	113,915	-	577,507	495,488
Omo Wood Products Co. Ltd	1,621	7,967	3,180	-
Ken Feraro Limited	27,123	27,123	-	-
Western Steel Mills Co. Limited	42,025	-	151,770	68,700
NFE Industries Limited	196,433	195,678	-	-
Procelainware Industries Ltd	10,827	-	605,300	609,040
Knight Metal Manufacturing Co. Ltd	30,465	-	8,300	753
United Rolling Mills Limited	190,565	190,565	-	-
Prime Nigeria Woods Products Co. Ltd.	1,255	933	525	-
I.Feng Company Limited	-	-	214,761	214,761
Modern Steel Mills Co. Ltd	-	-	535,505	113,424
Advance Steel Structure Co. Ltd	-	-	27,546	27,546
Wiseway Agro Products Co. Ltd	95,649	95,649	-	-
Lagos Oriental Hotel	12,000	-	4,078	-
Others	27,694	39,261	-	-
	<b>3,439,154</b>	<b>2,581,711</b>	<b>3,279,568</b>	<b>1,957,037</b>
<b>Less: Allowance for doubtful receivables</b>	(1,526)	(1,526)	-	-
	<b>3,437,628</b>	<b>2,580,185</b>	<b>3,279,568</b>	<b>1,957,037</b>

The amount due to I. Feng Company Limited is in respect of dividend payable.

Sales of goods to related parties are made at the company's usual price list which is the fair value of goods sold. Purchases are made at market price.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

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**23.4 Remuneration of key management personnel**

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

	<b>30 April 2020 N'000</b>	<b>30 April 2019 N'000</b>
Directors's Emoluments	5,677	5,677
Post-employment benefit	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<u><b>5,677</b></u>	<u><b>5,677</b></u>

There are no post-employment, termination, share based payments and other long term benefits for key management personnel during the period (2019: Nil)

**24 Financial Instruments**

**24.1 Capital risk management**

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of equity. The Company's overall strategy remains unchanged.

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings.

The Company is not subject to any externally imposed capital requirements. The Company does not have long term debts in its books, all borrowings are current in nature and are principally for working capital management.

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**24 Financial Instruments (contd).**

**24.2 Gearing ratio**

The gearing ratio at the year-end is as follows:

	<b>30 April 2020 N'000</b>	<b>30 April 2019 N'000</b>
Borrowing (i)	-	508,333
<b>Cash and bank balances</b>	<u>(2,623)</u>	<u>(10,562)</u>
Net debt	<u>-</u>	<u>497,771</u>
Equity (ii)	<u>831,339</u>	<u>1,182,145</u>
<b>Debt equity ratio</b>	<u><b>0.00%</b></u>	<u><b>42.11%</b></u>

Debt is defined as both current and non-current borrowings.

Equity includes all capital and reserves of the Company that are managed as capital.

**24.3 Significant accounting policies**

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 2.

**24.4 Categories of financial instruments**

The Company's financial assets and financial liabilities as at the reporting date is tabulated below:

	<b>30 April 2020 N'000</b>	<b>30 April 2019 N'000</b>
<b>Financial assets</b>		
<b><u>Loans and receivables:</u></b>		
Trade and other receivables	3,478,811	2,616,157
Cash and bank balances	<u>2,623</u>	<u>10,562</u>
	<u><b>3,481,434</b></u>	<u><b>2,626,719</b></u>
<b>Financial liabilities</b>		
<b><u>At amortised cost:</u></b>		
Borrowings	-	508,333
Trade and other payables	<u>3,803,300</u>	<u>2,346,367</u>
	<u><b>3,803,300</b></u>	<u><b>2,854,700</b></u>

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The Company's senior management oversees the management of risks to ensure that financial risks are identified, measured and managed in accordance with Company's policies for risk.

Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's activities.

Value-at-Risk and sensitivity analysis provide the appropriate information to monitor the net underlying financial risks.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

The Company does not trade in financial instruments, nor does it take on speculative or open positions through the use of derivatives.

**24.5 Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk affecting the entity are interest rate risk and foreign exchange currency risk. The financial instruments held by the Company that are affected by market risk are principally the non-derivative financial instruments which include investment in equity, trade and other receivables, cash and cash equivalents and trade and other payables.

**24.6 Interest rate risk management**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is not significant as it has minimal floating and fixed interest bearing financial liabilities outstanding at the reporting date. The exposure arises from interest on third party loans. Bank borrowings are principally overdraft facilities used in managing the cash flow situation of the Company on daily basis. Interest on overdraft are secured at competitive rates from banks and averages 16% annum.



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**NOTES TO THE FINANCIAL STATEMENTS**

**24.7 Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit evaluations are performed on all customers requiring credit although majority of the sales contracts are on cash basis. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The Company does not have any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. The company defines counterparties as having similar characteristics if they are related entities.

The carrying amount of financial assets represents the company's maximum exposure, which at the reporting date, was as follows:

	<b>30 April 2020 N'000</b>	<b>30 April 2019 N'000</b>
Cash and cash equivalents	2,623	10,562
Trade and other receivables	<u>3,478,811</u>	<u>2,616,157</u>
	<b><u>3,481,434</u></b>	<b><u>2,626,719</u></b>

**NIGERIAN ENAMELWARE PLC**  
*Financial Statements*  
*For the year ended 30 April, 2020*

**NOTES TO THE FINANCIAL STATEMENTS**

24.8 **Collateral held as security and other credit enhancements**

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risk as no collateral or other credit enhancements are held.

24.9 **Liquidity risk management**

Liquidity risk is the risk that the Company is unable to meet its current and future cash flow obligations as and when they fall due, or can only do so at excessive cost. This includes the risk that the Company is unable to meet settlement obligations to the acquiring banks due to failure of an issuing bank to pay.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements.

To mitigate this risk, the Company maintains adequate reserve, banking facilities and other borrowings and the monitoring of forecast and actual cash flows.

# NIGERIAN ENAMELWARE PLC

## *Financial Statements*

*For the year ended 30 April, 2020*

### NOTES TO THE FINANCIAL STATEMENTS

#### 24.10.1 Maturity risk

The Company monitors its risk to a shortage of funds by maintaining a balance between continuity of funding and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. To manage liquidity risk, bills of collection are used for trade purchases and most of the purchases are from related entities who can allow extended credit period if necessary. The following tables show the company's contractual maturities of financial liabilities:

	<b>30 April, 2020</b>		
	<b>Carrying amount N'000</b>	<b>Contractual cashflows N'000</b>	<b>Less than one year N'000</b>
<b>Financial assets</b>			
<u>Loans and receivables:</u>			
Trade and other receivables	3,478,811	3,478,811	3,478,811
Cash and bank balances	2,623	2,623	2,623
	<b>3,481,434</b>	<b>3,481,434</b>	<b>3,481,434</b>
<b>Financial liabilities at amortised cost</b>			
Trade and other payables	3,803,300	3,803,300	3,803,300
	<b>3,803,300</b>	<b>3,803,300</b>	<b>3,803,300</b>
	<b>30 April, 2019</b>		
	<b>Carrying amount N'000</b>	<b>Contractual cashflows N'000</b>	<b>Less than one year N'000</b>
<b>Financial assets</b>			
<u>Loans and receivables:</u>			
Trade and other receivables	2,706,133	2,706,133	2,706,133
Cash and bank balances	51,372	51,372	51,372
	<b>2,757,505</b>	<b>2,757,505</b>	<b>2,757,505</b>
<b>Financial liabilities at amortised cost</b>			
Trade and other payables	1,921,470	1,921,470	1,921,470
Borrowings	880,067	880,067	880,067
	<b>2,801,537</b>	<b>2,801,537</b>	<b>2,801,537</b>

**NIGERIAN ENAMELWARE PLC**  
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**NOTES TO THE FINANCIAL STATEMENTS**

Financial liabilities that can be repaid at any time have been assigned to the earliest possible time period. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

**24.11 Fair value of financial instruments**

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements are appropriate to their fair values.

	Carrying amount		Fair value	
	'30/4/2020 N'000	'30/4/2019 N'000	30/4/2020 N'000	30/4/2019 N'000
<b>Financial assets</b>				
<u>Loans and receivables:</u>				
Trade and other receivables	3,478,811	2,616,157	3,478,811	2,616,157
Cash and bank balances	2,623	10,562	2,623	10,562
	<b>3,481,434</b>	<b>2,626,719</b>	<b>3,481,434</b>	<b>2,626,719</b>
<b>Financial liabilities</b>				
<u>Financial liabilities held at amortised cost:</u>				
Borrowings	-	508,333	-	508,333
Trade and other payables	3,803,300	2,346,367	3,803,300	2,346,367
	<b>3,803,300</b>	<b>2,854,700</b>	<b>3,803,300</b>	<b>2,854,700</b>

25 Directors and Employees

**25.1 Directors**

**Emoluments**

Fees:

Chairman	615	615
Other Directors	450	450
	1,065	1,065
Other emoluments	4,612	4,612
	<b>5,677</b>	<b>5,677</b>

The number of Directors whose gross emoluments were within the following ranges are:

Range (N)	30 April 2020 Number	30 April 2019 Number
Up to N10,000	-	-
N10,001-N620,000	5	5
N620,000-N630,000	-	-
	<b>5</b>	<b>5</b>

# NIGERIAN ENAMELWARE PLC

## *Financial Statements*

*For the year ended 30 April, 2020*

### NOTES TO THE FINANCIAL STATEMENTS

25.2 Employees	30 April 2020 N'000	30 April 2019 N'000
<u>Short term benefits:</u>		
Wages, salaries and staff welfare	313,543	422,038
<u>Post employment benefits:</u>		
Defined contribution plan	18,078	17,151
	331,622	439,189

#### Employees remunerated at higher rates

Number of employees in receipt of emolument within the following ranges are:

	Number	Number
0-150000	-	-
150001-180000	-	-
180001-200000	-	-
200001-240000	-	-
240001-260000	-	-
260000 and above	267	267
	267	267

The average number of people employed in the reporting year were as follows:

Range (N)	30 April 2020 Number	30 April 2019 Number
Management staff	2	2
Senior staff	2	2
Junior staff	263	263
	267	267

**NIGERIAN ENAMELWARE PLC**  
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For the year ended 30 April, 2020

**NOTES TO THE FINANCIAL STATEMENTS**

	<b>30 April</b>	<b>30 April</b>
	<b>2020</b>	<b>2019</b>
	<b>N'000</b>	<b>N'000</b>
<b>26 Reconciliation of net profit to cash provided by operating activities</b>		
(Loss) after taxation	<u>(350,806)</u>	<u>(241,633)</u>
<b>Adjustment for non cash and operating items</b>		
Depreciation	51,725	48,279
Interest received		-
Borrowing Interest paid	174,272	189,596
<b>Working capital changes</b>		
(Increase)/Decrease in stocks	265,762	15,412
(Increase )/Decrease in trade and other receivables	(862,655)	89,976
Increase in trade creditors and other payables	1,456,933	424,897
Increase/(Decrease) in current tax liabilities	1,990	(8,700)
Increase in deferred tax	<u>6,386</u>	<u>2,694</u>
Total adjustments	<u>1,094,413</u>	<u>762,154</u>
<b>Net cash provided by operating activities.</b>	<u><u>743,607</u></u>	<u><u>520,520</u></u>

# **NIGERIAN ENAMELWARE PLC**

## ***Financial Statements***

***For the year ended 30 April, 2020***

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **27 Retirement benefit plan**

##### **27.1 Defined contribution plan**

The Company operates a contributory pension scheme and makes provision for retirement benefits in accordance with the Pension Reform Act 2004. Employer and employees contribute 10% and 8% respectively of basic salary, transport and housing allowances of each employee.

Employees' contributions are deducted from payroll while employer's contributions are charged to profit or loss.

The total expense recognised in the statement of profit or loss N18.08m (2019: N22.3m) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at 30 April 2020, contributions of N74.44million (2019: N19.5m) due in respect of the 2020 reporting period has not been paid over to the plans.

#### **28 Capital commitments**

There were no capital commitments as at 30 April 2020 (30/4/2019: Nil)

#### **29 Contingent liabilities and contingent assets**

There were no contingent liabilities and contingent assets as at 30 April 2020 (30/4/2019: Nil).

#### **30 Effects of COVID-19 pandemic**

COVID -19 is a pandemic that affected Nigeria from February, 2020. The Government measures to contain the pandemic include social distancing and public lockdown among others. The effect of these measures affected the Company's operations particularly production and sales in the last quarter of this financial statement.

The pandemic still persists even after the sign off date.

#### **31 Events after the reporting date.**

There were no events after the reporting date which could have had material effect on the affairs of the company as at 30 April 2020 on that date which have not been provided for or recognised in this financial statement.



# NIGERIAN ENAMELWARE PLC

## *Financial Statements*

*For the year ended 30 April, 2020*

### 31 OTHER NATIONAL DISCLOSURES

#### 31.1 STATEMENT OF VALUE ADDED

	2020 N'000	%	2019 N'000	%
Revenue	497,933		740,232	
Other Income	142,074		91,706	
	<u>640,006</u>		<u>831,938</u>	
Bought-in materials and services				
- Local	(423,253)		(331,427)	
<b>VALUE (SUFFERED)/ADDED</b>	<u><u>216,754</u></u>	<u>100</u>	<u><u>500,511</u></u>	<u>100</u>

#### APPLIED AS FOLLOWS:

##### **To pay employees:**

Salaries, wages and social benefits	332,687	153	501,575	100
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##### **To pay providers of capital:**

Interest expense	174,272	80	189,596	38
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##### **To pay government:**

Taxation	2,490	1	-	-
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##### **To provide for replacement of assets and growth**

Deferred Tax	6,386	3	2,694	1
Depreciation	51,725	24	48,279	10
Profit and loss account	(350,806)	(163)	(241,634)	(49)
	<u><u>216,754</u></u>	<u>100</u>	<u><u>500,511</u></u>	<u>100</u>

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

**NIGERIAN ENAMELWARE PLC**  
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**For the year ended 30 April, 2020**

**31.2 FIVE YEARS FINANCIAL SUMMARY**

	2020 'N'000	2019 'N'000	2018 'N'000	2017 'N'000	2016 'N'000
<b>FINANCIAL POSITION</b>					
<b>ASSETS</b>					
None current assets	918,792	901,576	949,855	998,134	1,009,589
Net current assets	168,922	530,558	721,219	714,536	696,762
Deferred taxation	(256,375)	(249,989)	(247,295)	(285,558)	(295,785)
	<u>831,339</u>	<u>1,182,145</u>	<u>1,423,779</u>	<u>1,427,112</u>	<u>1,410,566</u>
<b>CAPITAL AND RESERVES</b>					
Share capital	38,016	38,016	38,016	31,680	31,680
Other reserve	18,177	18,177	18,177	18,177	18,177
Revenue reserve	775,146	1,125,952	1,367,586	1,377,255	1,360,709
Shareholder's fund	<u>831,339</u>	<u>1,182,145</u>	<u>1,423,779</u>	<u>1,427,112</u>	<u>1,410,567</u>
<b>PROFIT OR LOSS ACCOUNT</b>					
Revenue	497,933	740,232	1,650,999	2,528,319	2,795,190
(Loss)/Profit before taxation	(341,930)	(238,940)	(8,482)	67,849	176,961.28
Taxation	(8,876)	(2,694)	5,149	(22,791)	(43,486)
(Loss) /Profit after taxation	<u>(350,806)</u>	<u>(241,634)</u>	<u>(3,333)</u>	<u>45,058</u>	<u>133,475</u>
<b>PER SHARE DATA: (Naira)</b>					
Earnings (basic) kobo	(461)	(318)	(4)	71	211
Earnings (diluted) kobo	(461)	(318)	(4)	71	211
Dividend paid during year (kobo)	-	-	-	45	45
Bonus issue of ordinary shares	-	-	1:5	-	-
Net assets (kobo)	<u>1,093</u>	<u>1,555</u>	<u>1,873</u>	<u>2,252</u>	<u>2,226</u>

**NOTE:**

Basic earnings per share are based on profit after tax and fully paid ordinary share capital at the end of each financial year.

Diluted earnings per share are based on profit after tax and fully paid ordinary share capital at the end of each financial year.

Dividend per share are based on dividend declared and number of issued and fully paid ordinary share capital at the end of each financial year.

Net assets per share are based on net assets and number of issued and fully paid ordinary share capital at the end of each financial year.

# **NIGERIAN ENAMELWARE PLC**

## *Financial Statements*

*For the year ended 30 April, 2020*

### **UNCLAIMED DIVIDEND WARRANTS**

Since 1979 when Nigerian Enamelware Plc became quoted on the Nigerian Stock Exchange, the Company has declared dividends as follows:

DIV. NUMBER	DATE OF PAYMENT	UNCLAIMED DIVIDEND =N=
29	01/01/09	4,462,649.10
30	11/02/10	3,255,465.24
31	20/01/11	5,144,468.04
32	01/12/11	4,754,194.46
33	20/12/12	5,774,111.32
34	19/12/13	5,752,459.88
35	19/12/14	5,608,880.04
36	02/10/15	5,407,584.09
37	28/11/16	6,615,689.53
TOTAL UNCLAIMED DIVIDEND AS AT 30/04/20		<b>46,775,501.70</b>

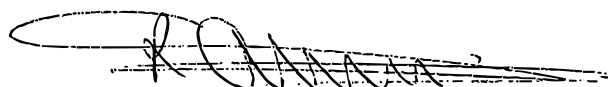
The records passed to us and those with our Company Registrars have respectively revealed:

- A: That some dividend warrants previously mailed to the shareholders have not been presented for payments.
- B: That some share certificates also previously mailed to the shareholders have been returned unclaimed.

This, therefore, serves as notice to the affected shareholders, in their own interest to contact us at the under-mentioned address for offer of assistance or advice for obtaining replacement for lost warrants and share certificates returned unclaimed.

#### **Nigerian Enamelware Plc,**

18, Wempco Road, Ogba,  
Ikeja, Lagos.  
G.P.O. Box 4993, Marina

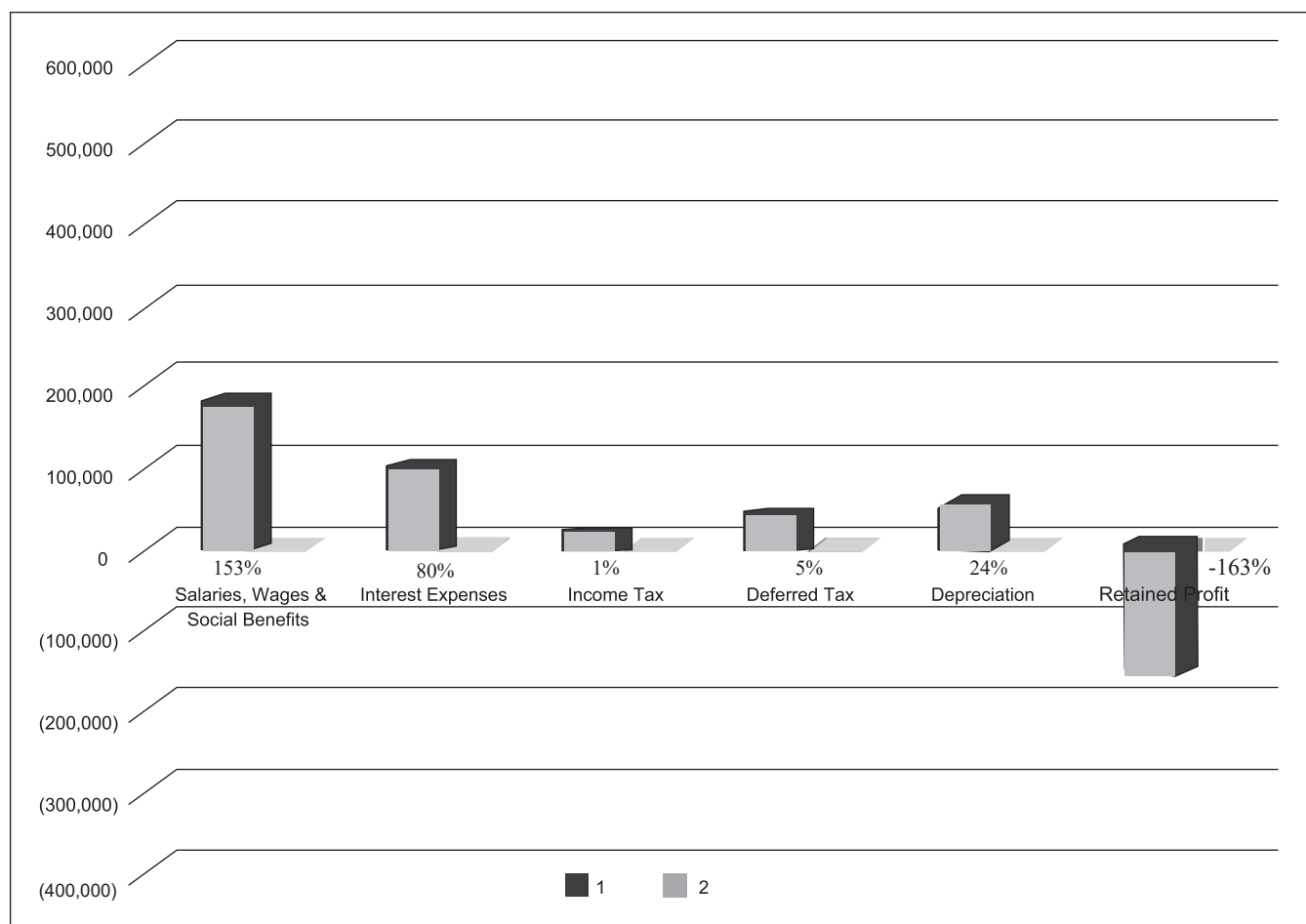


**Bamofin Olatokunbo Sanni**  
Company secretary

**NIGERIAN ENAMELWARE PLC**  
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**For the year ended 30 April, 2020**

## REVENUE ALLOCATION

Salaries, Wages & Social Benefits	332,687	153%
Interest Expenses	174,272	80%
Income Tax	2,490	1%
Deferred Tax	6,386	5%
Depreciation	51,725	24%
Retained Profit	(350,806)	-163%
	<u>216,754</u>	100%



# NIGERIAN ENAMELWARE PLC

## *Financial Statements* *For the year ended 30 April, 2020*

### SHARE CAPITAL HISTORY

The share capital history of the Company is as shown below. The issued and paid up capital of the Company as at 30th April 2020 is:

Authorised Share Capital			Issued & Fully Paid	
Date	Value ₦	Shares	Value ₦	
30.9.2002	20,000,000	40,000,000	14,400,000	
30.9.2003	20,000,000	40,000,000	14,400,000	
30.9.2004	20,000,000	40,000,000	14,400,000	
30.9.2005	20,000,000	40,000,000	14,400,000	
30.9.2006	20,000,000	40,000,000	14,400,000	
30.9.2007	120,000,000	240,000,000	14,400,000	
30.4.2008	120,000,000	240,000,000	14,400,000	
30.4.2009	120,000,000	240,000,000	14,400,000	
30.4.2010	120,000,000	240,000,000	31,680,000	
30.4.2011	120,000,000	240,000,000	31,680,000	
30.4.2012	120,000,000	240,000,000	31,680,000	
30.4.2013	120,000,000	240,000,000	31,680,000	
30.4.2014	120,000,000	200,000,000	31,680,000	
30.4.2015	120,000,000	200,000,000	31,680,000	
30.4.2016	120,000,000	240,000,000	31,680,000	
30.4.2017	120,000,000	240,000,000	31,680,000	
30.4.2018	120,000,000	240,000,000	38,016,000	
30.4.2019	120,000,000	240,000,000	38,016,000	
30.4.2020	120,000,000	240,000,000	38,016,000	

### TEN-YEAR DIVIDEND HISTORY

#### DIVIDEND IN THE LAST TEN YEARS

Year	Profit after Taxation ₦'000	Dividend Proposed ₦'000	Dividend Proposed Per share (k)
2011	88,128	26,611	42
2012	87,941	27,244	43
2013	73,970	28 512	45
2014	86,155	28 512	45
2015	74,357	28 512	45
2016	113,475	28 512	45
2017	45,058	28 512	45
2018	(3,333)	-	-
2019	(241,634)	-	-
2020	(350,806)	-	-

Bonus issue of 1 share for every 5 shares held was approved in 2018



# NIGERIAN ENAMELWARE PLC

Financial Statements

For the year ended 30 April, 2020

## PROXY FORM

**60<sup>th</sup> ANNUAL GENERAL MEETING TO BE HELD AT 10.00AM ON TUESDAY, 8TH DECEMBER, 2020 at LAGOS AIRPORT HOTEL, AWOLOWO WAY, IKEJA, LAGOS STATE.**

I/WE.....being a member/Members of Nigerian Enamelware Plc. Hereby appoint\*\* ..... Of.....or Failing him, the chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 8<sup>th</sup> December 2020 and at any adjournment thereof:

Dated this.....day of .....2020

Shareholder's Signature.....

### ORDINARY BUSINESS

RESOLUTION	FOR	AGAINST	ABSTAIN
To re-elect Mr. Lewis Tung & Mr. Paul Tung			
To authorize Directors to fix the Auditors' Remuneration			
To elect Shareholder's Representatives on the Audit Committee			

### SPECIAL BUSINESS

RESOLUTION	FOR	AGAINST	ABSTAIN
To fix the Directors' Remuneration			

### IF YOU ARE UNABLE TO ATTEND THE MEETING

A Member (Shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote on poll by proxy. The above proxy form has been prepared to enable you to exercise your right to vote, in case you cannot personally attend the Meeting.

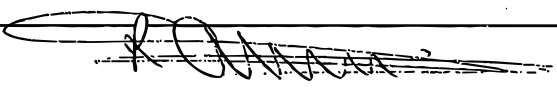
Follow the normal practice, the chairman of the Company has been entered on the Form to ensure that someone will be at the Meeting to act as your proxy but if you wish you may insert in the blank space on the form (marked\*\*) the name of any person, whether a member of the Company or not, who will attend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

Please sign this proxy form and send it, so as to reach the address shown overleaf or e mail address [proxy@gtlregistrars.com](mailto:proxy@gtlregistrars.com) not later than 10.00am on 15<sup>th</sup> July 2020. If executed by a Corporation, the Proxy Form should be sealed with the Common Seal

Please indicate with an 'X' in the appropriate square how you wish your votes to be cast on the resolutions referred to above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

### List of Proposed Proxies

- Alhaji M.A. Ola Yusuf
- Mr. Partick Okafor Ajudua
- Chief Timothy Adesiyen
- Mr. Robert Igwe

  
BAMOFIN OLATOKUNBO SANNI  
Company Secretary

For Company's use only	No. of Shares	
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