

**MINL LIMITED**  
**IFRS FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**MINL LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2021**

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## **MINL LIMITED**

### **DIRECTORS, PROFESSIONAL ADVISERS AND REGISTERED OFFICE**

**DIRECTORS:** Mr. Mathew Ayotunde Shobiye  
Mr. Shirish Mehta  
Mr. Anup Kumar Drolia  
Mr. Dinesh Kumar  
Mr. Kanad Purkayastha

**REGISTERED OFFICE:** 21/23, Abimbola Street  
Isolo Industrial Estate  
Isolo,  
Lagos

**HEAD OFFICE:** 21/23, Abimbola Street  
Isolo Industrial Estate  
Isolo,  
Lagos

**SECRETARIES** Mathmer & Associates - Company secretary  
3, Layi Oyekanmi Street,  
Mushin,  
Lagos.

**AUDITORS:** Messrs Opone Johnson & Co.  
(Chartered Accountants)  
21, Alao Street  
Ajao Estate  
Lagos.

## MINL LIMITED

### DIRECTORS REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2021

The Directors submit their Annual Report together with the Audited Financial Statements for the year ended 31st December, 2021.

	N
1 <b>OPERATING RESULT</b>	
Profit for the Year	3,937,170
Taxation	<u>(1,085,481)</u>
Profit After Taxation	<u><u>2,851,689</u></u>

#### 2 **LEGAL FORM**

The Company was incorporated in Nigeria as a Private Company Limited by Shares in September, 1995.

#### 3 **PRINCIPAL ACTIVITIES AND BUSINESS**

The Company is engaged in the Manufacturing and Marketing of Crown Corks, Ropp Caps, Aluminium Embossed Coils, Sleeves, Galvanised Corrugated Roofing Sheets, Aluminium Roofing Sheets and Non Ferrous Alloy Ingot for export market only.

#### 4 **DIVIDEND**

The Directors are pleased to recommend to members for adoption of dividend of N 5,447,387,214.00 as dividend. The dividend of N 6.00 per share is payable subject to approval of members at the Annual General Meeting. The said dividend is appropriated from Section 17 Account under the Industrial Development (Income Tax Relief) Act.

#### 5 **DIRECTORS**

The following persons served on the Company's Board during the year under review:-

Mr. Mathew Ayotunde Shobiye	(Nigerian)
Mr. Shirish Mehta	(Indian)
Mr. Anup Kumar Drolia	(Indian)
Mr. Dinesh Kumar	(Indian)
Mr. Kanad Purkayastha	(Indian)

#### 6 **SHAREHOLDING STRUCTURE**

The Company's shares are held by the underlisted Shareholders as at 31st December, 2021.

	No of Shares	%	Status
Manaksia Limited & its Nominees	<u>907,897,869</u>	<u>100</u>	<u>Foreign</u>

Mr. S. K. Agrawal was nominated to hold one hundred unit of shares on behalf of Manaskia Limited.

## MINL LIMITED

### DIRECTORS REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2021

#### 7 EMPLOYMENT AND EMPLOYEES

a. **Employees' Involvement and Training**

It is the Company's Policy to adequately train its manpower for better result. In that regards, efforts would be made to continue to improve staff welfare and encourage staff participation in decisions affecting them.

b. **Employment of Disabled Persons**

It is the policy of the Company that there should be no discrimination in considering applications for employment including those from disabled persons.

#### 8 PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment carrying value stood at N6.67 billion as at 31st December, 2021 compared to N7.72 billion in 2020. Capital expenditure incurred in 2021 amounted to N 138.29 million. The Directors are of the opinion that the market value of the Company's property, plant and equipment is not less than the value shown in the financial statements as contained on page 24 of the accounts.

#### 9 HEALTH AND SAFETY

The Company provides medical services to employees. All factory safety standards adhere to by management. In addition, fire fighting equipments are in place as well as adequate training programme on the use of fire fighting equipments.

#### 10 AUDITORS

In accordance with Section 357(2) of the Companies and Allied Matters Act (CAMA) CAP C20 LFN 2004, **Messrs Opone Johnson & Co.** (Chartered Accountants), have indicated their willingness to continue in office.

Dated this 8th day of March, 2022

**By Order of the Board**

*MATHMER & ASSOCIATES*  
**MATHMER & ASSOCIATES**  
Secretaries

## MINL LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31ST DECEMBER, 2021


The Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the period. The responsibilities include ensuring that the Company:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and International Financial Reporting Standards;
- b) establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) prepare its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council Act No. 6, 2011.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company for the year ended 31st December, 2021. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director



**OPONE JOHNSON & CO.**  
*Chartered Accountants*

Kings Tower, 1st Floor, 35 Alfred Rewane Road, Ikoyi, Lagos.  
Branch Office:  
8, Oladipo Diya Street, 2nd Avenue Estate, off Osborne Road,  
Ikoyi, Lagos.  
21, Alao Street, off Osolo Way, Ajao Estate, Lagos.  
Tel: 0810 239 6804, 0803 301 7060.  
E-mail: [oponejohnson@yahoo.com](mailto:oponejohnson@yahoo.com)  
[info@oponejohnsonandco.ng](mailto:info@oponejohnsonandco.ng)  
Website: [www.oponejohnsonandco.ng](http://www.oponejohnsonandco.ng)

JOHNSON OPONE ACTI, FCA - MANAGING PARTNER  
ABDULLAHI OKE ACTI, FCA

FELICIA OMUBO-DEDE ACTI, BSC, MBA, FCA  
TITILOPE OMOKUNGBE ACTI, ACA

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

**MINL LIMITED**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of *MINL Limited* which comprise the statement of financial position as at 31<sup>st</sup> December, 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20, Law of the Federation of Nigeria 2020 and in compliance with the Financial Reporting Council Act, No. 6, 2011 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

**AUDITORS' RESPONSIBILITY**

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

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

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

**OPINION**

In our opinion, the financial statements give a true and fair view of the financial position of *MINL Limited* as at 31<sup>st</sup> December, 2021 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20, Law of the Federation of Nigeria 2020 and in compliance with the Financial Reporting Council Act, No. 6, 2011.



OPONE JOHNSON & CO.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

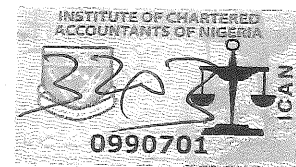
MINL LIMITED - Continued

**REPORT ON THE ENABLING ACT AND REGULATORY REQUIREMENTS**

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2020, we confirm that,

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) in our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- iii) the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

CHIEF J. OPONE FCA.  
FRC/2013/ICAN/00000004846  
OPONE JOHNSON & CO.  
(Chartered Accountants)  
LAGOS – NIGERIA



March 8, 2022




**MINL LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2021**

	Notes	31-Dec-21 N'000	31-Dec-20 N'000
<b>Non-current assets</b>			
Property, plant and equipment	5	6,670,752	7,719,433
Investment in shares	6	672,997	672,880
Other non-current assets	8.2	3,098,984	2,912,303
<b>Total non-current assets</b>		<b>10,442,733</b>	<b>11,304,616</b>
<b>Current assets</b>			
Inventories	7	4,517,235	2,963,149
Trade and other receivables	8.1	1,842,728	2,799,821
Prepayments and Advances	9	432,469	1,735,081
Short Term Investment	11	13,714,055	5,136,778
Cash and cash equivalents	10	16,885,800	18,754,018
<b>Total current assets</b>		<b>37,392,287</b>	<b>31,388,847</b>
<b>Total assets</b>		<b>47,835,020</b>	<b>42,693,463</b>
<b>Equity</b>			
Ordinary share capital	17.2	907,898	907,898
Other Reserves		754	637
Retained earnings	19	36,697,756	35,661,863
<b>Total equity</b>		<b>37,606,408</b>	<b>36,570,398</b>
<b>Current liabilities</b>			
Trade and other payables	12	3,619,389	1,590,213
Borrowing	15	2,761,278	2,117,878
Dividend payable	18	920,931	-
Taxation	13.1	1,224,405	573,708
<b>Total current liabilities</b>		<b>8,526,003</b>	<b>4,281,799</b>
<b>Non-current liabilities</b>			
Deferred Tax Liability	13.2	1,702,609	1,841,266
<b>Total non-current liabilities</b>		<b>1,702,609</b>	<b>1,841,266</b>
<b>Total liabilities</b>		<b>10,228,612</b>	<b>6,123,065</b>
<b>Equity and liabilities</b>		<b>47,835,020</b>	<b>42,693,463</b>

The financial statements on pages 2 to 34 were approved by the Board of Directors on the 8th day of March 2022 and signed on its behalf by:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

The statement of significant accounting policies on pages 11 to 22 and the accompanying explanatory notes on pages 23 to 34 form an integral part of these financial statements.

**MINL LIMITED**

**STATEMENT OF PROFIT OR LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER, 2021**

	Notes	31-Dec-21 N'000	31-Dec-20 N'000
<b>Continuing operations</b>			
Revenue	21	30,459,125	26,713,748
Cost of sales	23	<u>(26,019,740)</u>	<u>(23,302,171)</u>
<b>Gross profit</b>		<b>4,439,385</b>	<b>3,411,577</b>
Other operating income	22	2,068,341	1,015,973
Administrative expenses	24	(1,618,345)	(1,311,646)
Distribution and advertising expenses	25	(4,041)	(12,926)
Finance cost	26	<u>(948,170)</u>	<u>(208,177)</u>
<b>Profit before taxation</b>		<b>3,937,170</b>	<b>2,894,801</b>
Taxation	13.3	<u>(1,085,481)</u>	<u>(562,842)</u>
<b>Profit after taxation</b>		<b>2,851,689</b>	<b>2,331,959</b>
<b>Other Comprehensive Income</b>			
Unrealised Gain on fair value measurement- Investment in shares		<u>117</u>	<u>2,175</u>
<b>Total other comprehensive Income</b>		<b>117</b>	<b>2,175</b>
<b>Total comprehensive income</b>		<b>2,851,806</b>	<b>2,334,134</b>
<b>Earnings per ordinary share (N)</b>			
From continuing operations			
Basic earnings per share	20	<u>3.14</u>	<u>2.71</u>

The statement of significant accounting policies on pages 11 to 22 and the accompanying explanatory notes on pages 23 to 34 form an integral part of these financial statements.

**MINL LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
AT 31 DECEMBER 2021**

	<b>Issued share capital N'000</b>	<b>Other Reserve N'000</b>	<b>Retained earnings N'000</b>	<b>Total equity N'000</b>
<b>Equity attributable to equity holders</b>				
At 1 January, 2020	<b>907,898</b>	<b>(1,538)</b>	<b>33,329,904</b>	<b>34,236,264</b>
Profit for the year	-	-	2,331,959	2,331,959
Dividend declared during the year	-	-	-	-
Fair value measurement- Investment in sh	-	2,175	-	2,175
At 31 December, 2020	<b>907,898</b>	<b>637</b>	<b>35,661,863</b>	<b>36,570,398</b>
Profit for the year	-	-	2,851,689	2,851,689
Dividend declared during the year	-	-	(1,815,796)	(1,815,796)
Fair value measurement- Investment in sh	-	117	-	117
At 31 December, 2021	<b>907,898</b>	<b>754</b>	<b>36,697,756</b>	<b>37,606,408</b>

The accompanying notes on pages 11 to 34 form an integral part of these financial statements.

**MINL LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER, 2021**

	NOTES	31-Dec-21 N'000	31-Dec-20 N'000
<b>Cash Flows from Operating Activities</b>			
Collection from Customers		30,119,339	27,307,652
Payments to Suppliers, Employees and others		(23,503,360)	(23,519,714)
	27	<u>6,615,979</u>	<u>3,787,938</u>
Taxation		(573,441)	(371,381)
<b>Net cash provided from operating activities</b>		<b><u>6,042,538</u></b>	<b><u>3,416,557</u></b>
<b>Cash Flows from Investing Activities</b>			
Acquisition of PPE	5	(138,295)	(308,727)
Proceed from sale of PPE		244	2,003
Loan to related party		(186,681)	(13,556)
Investment in Treasury Bills & Bonds		(8,577,277)	2,863,268
Rental Income		4,000	3,985
Dividend Received		929	4,625
Interest Received		1,569,549	818,262
<b>Net Cash provided by Investing Activities</b>		<b><u>(7,327,531)</u></b>	<b><u>3,369,860</u></b>
<b>Cash flows from Financing Activities</b>			
Dividend Paid	18	(894,865)	(2,269,743)
Interest Paid		(331,760)	(131,027)
<b>Net Cash provided by Financing Activities</b>		<b><u>(1,226,625)</u></b>	<b><u>(2,400,770)</u></b>
Net Current Year Movement		(2,511,618)	4,385,647
Cash and Cash Equivalent at Start of Year		16,636,140	12,250,493
<b>Cash and Cash Equivalent at Year End</b>	28	<b><u>14,124,522</u></b>	<b><u>16,636,140</u></b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

#### 1. General information

##### 1. Description of business

MINL Limited was incorporated as a private limited liability company in September, 1995.

The company's registered office is located at 21/23 Abimbola Street, Isolo Industrial Estate, Isolo, Lagos.

The company is principally engaged in Manufacturing and Marketing of Crown Cork, Ropp Caps, Aluminium Embossed Coils, Bottles Sleeves, Hot or Cold Rolled Steel Sheets, Galvanised Corrugated Roofing Sheets, Aluminium Roofing Sheets, Non Ferrous alloys Ingots etc.

##### 1.1 Composition of financial statements

The financial statements are drawn up in naira, the functional currency of MINL Limited in accordance with International Financial Reporting Standards (IFRS). This financial statements are comprise of:

- 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.

##### 1.2 Basis of preparation

The financial statements of MINL Limited have been prepared in accordance with International Financial Reporting Standards(IFRS) as issued by the International Accounting Standards Board (IASB). The financial statement is also prepared to meet all the requirements of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria.

##### 1.3 Financial period

These financial statements cover the financial year ended 31 December, 2021 with comparative amounts for the financial period ended 31 December, 2020.

**MINL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2021**

**2 Summary of new and amended standards**

**2.1 Accounting standards and interpretations issued but not yet effective**

Below are the new International Financial Reporting Standards and International Accounting Standards which have not been early adopted by the Company and that might affect future reporting periods, on the assumption that the Company will continue with its current activities.

**a *IFRS 17 - Insurance Contracts***

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.

**IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.**

**b) *Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)***

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

**Annual reporting periods beginning on or after 1 January 2022.**

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

#### 3. Summary of significant accounting policies

The significant accounting policies set out below have been applied consistently as presented in these financial statements.

##### 3.1 Property, plant and equipment

###### 3.1.1 Initial recognition

Property, plant and equipment are initially recognized at cost, being the cash price equivalent at the recognition date. The cost of an item of property, plant and equipment comprises any costs incurred in bringing the asset to the location and condition necessary for it to operate as intended by management. In the case of the assets of own construction, cost comprises direct and indirect costs attributable to the construction work, including salaries and wages, materials, components and work performed by subcontractors. Cost also includes an estimated cost of dismantling and removing the asset where the obligation is incurred when the asset was acquired or consequence of using the asset. Property, plant and equipment are subsequently stated at cost, less accumulated depreciation and accumulated impairment in value. Replacement or major inspection costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

###### 3.1.2 Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

###### 3.1.3 Depreciation

Depreciation starts when an asset is ready for use and ends when derecognised or classified as held for sale. Depreciation does not cease when the asset becomes idle or retired from use unless the asset is fully depreciated. Depreciation is calculated on a straight-line basis to write-off assets over their estimated useful lives. Land and assets under construction (work in progress) are not depreciated.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalue amounts to their residual values over their estimated useful lives, as follows:

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

Asset class	Estimated useful lives
Land	Indefinite
Leasehold Property	Over the leasehold period
Building	40 years
Plant and Machinery	10 years
Motor Vehicles	5 years
Furniture and Fittings & Equipment	10 years

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value.

#### 3.1.4 Derecognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, these are included in the income statement as operating income.

When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained earnings.

#### 3.1.5 Reclassification

When the use of a property changes from owner-occupier to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognized in income statement to the extent that it reverses any previous impairment loss on the specific property, with any remaining recognized in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognized immediately in the income statement.

#### 3.2. Impairment of non-financial assets

The company assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease.



## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss recognised shall not be reversed in a subsequent period.

#### **3.3. Financial instruments**

##### **3.3.1 Financial assets**

###### **i. Classification**

The company classifies its financial assets into the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available for sale. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

###### **3.3.1.1 Financial assets at fair value through profit or loss**

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception.

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

Financial assets designated as at fair value through profit or loss at inception are those that are: held in internal funds to match insurance and investment contracts liabilities that are linked to the changes in fair value of these assets. The designation of these assets to be at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. Information about these financial assets is provided internally on a fair value basis to the company's key management personnel.

The company's investment strategy is to invest in equity and debt securities and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit or loss.

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

#### 3.3.1.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the company intends to sell in the short term or that it has designated as at fair value through profit or loss or available for sale.

#### 3.3.2 Financial liabilities

The company's financial liabilities as at statement of financial position date include 'Borrowings' (excluding VAT and employee related payables). These financial liabilities are subsequently measured at amortised cost using the effective interest method. Financial liabilities are included in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

##### 3.3.2.1 Interest bearing borrowings

Borrowings, inclusive of transaction costs, are recognised initially at fair value. Borrowings are subsequently stated at amortised costs using the effective interest method; any difference between proceeds and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

#### 3.3.3 Impairment of financial assets

##### 3.3.3.1 Financial assets carried at amortised cost

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

- Significant financial difficulty of the issuer or debtor;
- The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
  - adverse changes in the payment status of issuers or debtors; or
  - national or local economic conditions that correlate with defaults on the assets of the company.

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

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

If there is objective evidence that an impairment loss has been incurred on loans and receivables or held-to-maturity investments carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an impairment account, and the amount of the loss is recognised in the income statement. If a held-to-maturity investment or a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under contract. As a practical expedient, the company may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are compared on the basis of similar credit risk characteristics (i.e., on the basis of the company's grading process that considers asset type, industry, geographical location, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognized impairment loss is reversed by adjusting the impairment account. The amount of the reversal is recognised in the income statement.

#### **3.3.4 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

#### 3.4 Trade and other receivables

Trade receivables are amount due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets, if not they are presented as non-current assets. Where the potential impact of discounting future cash receipts over the short credit period is not considered to be material, trade receivables are stated at their original invoiced value. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts.

#### 3.5 Cash and cash equivalents

Cash equivalents comprises of short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term.

For the purpose of preparing the statement of cash flows, cash and cash equivalents are reported net of balances due to banks.

#### 3.6 Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Other payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

#### 3.7 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

Interest-bearing borrowings are stated at amortised cost 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 through the expected life of the financial liability.

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

#### 3.8 Inventories

Inventories are valued at the lower of cost and net realisable value on a first in first out basis. The cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventory and work in progress, cost includes an appropriate share of production overheads on normal activity levels.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling.

#### 3.9 Retirement benefits

##### 3.9.1 Defined contribution plan

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

Under the defined contribution plans, the company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Employees contribute 8% of their basic salary, housing and transport allowances to the pension scheme while the employer contributes 10% to make a total contribution of 18% of the total emoluments as required by the Pension Reform Act 2004 as amended. The Company's contribution to the pension's scheme is charged to the profit or loss account.

##### 3.9.2 Short term employee benefits

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

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

#### 3.10 Taxation

##### 3.10.1 Current income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

##### 3.10.2 Deferred income tax

Deferred income tax is recognised in full using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit (loss), it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities, where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

Deferred tax related to fair value re-measurement of available-for-sale investments and cash flow hedges, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the income statement together with the deferred gain or loss on disposal.

#### 3.11 Provisions

Provisions are recognized 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 the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

#### 3.12 Equity instruments

Equity instruments issued by the company are recorded at the value of proceeds received, net of costs directly attributable to the issue of the instruments. Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

#### 3.13 Share capital

##### 3.13.1 Share issue costs

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

##### 3.13.2 Investment in own shares (Treasury shares)

Where a company purchases the Company's equity share capital as treasury shares, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

##### 3.13.3 Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the shareholders.

## **MINL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021**

Dividends proposed by the Directors but not yet approved by members are disclosed by way of notes in line with Companies and Allied Matters Act.

#### **3.14 Revenue recognition**

This relates to the sale of electronics exclusive of value added tax and less any discounts. Revenue is recognized when there is persuasive evidences that an agreement exists, that the significant risks and reward of ownership have been transferred to the customers , the amount of revenue can be measured reliably and collectibility is reasonably assured. If it is probable that discount will be granted and amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

##### **3.14.1 Service charge**

Service charge is earned on services of the Company's products. Service charge is recognised in the income statement over the period the service is provided.

##### **3.14.2 Interest income**

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 the assets carrying amount.

##### **3.14.3 Other income**

Other income is recognised in line with the criteria mentioned in note 3.13 for other related services.

#### **3.15 Foreign currency translation**

##### **3.15.1 Foreign currency transactions and balances**

Transactions in foreign currencies are translated to the respective functional currencies of the entities within the company. Monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated using the exchange rates at the date of the initial transactions.



## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings which are regarded as adjustments to interest costs, where those interest costs qualify for capitalization to assets under construction
- Exchange differences on transactions entered into to hedge foreign currency risks
- Exchange differences on loans to or from a foreign operation for which settlement is neither planned nor likely to occur and therefore forms part of the net investment in the foreign operation, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

#### **4 Critical accounting estimates and judgment**

- 4.1** The company makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgment are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumption.

The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the period of the change, if the change affects that period only, or in the period of change and future period, if the change affects both.

The estimates and assumptions that have a significant risks of causing material adjustment to the carrying amount of asset and liabilities within the next financial statements are discussed below:

##### **4.1.1 Determination of impairment of non-financial assets**

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists.

##### **4.1.2 Depreciable life of property and equipment**

The estimation of the useful lives of assets is based on management's judgment. Any material adjustment to the estimated useful lives of items of property, plant and equipment and will have an impact on the carrying value of these items.

**MINL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2021**

**5 Property, plant and equipment**

	Land & Building	Plant and machinery	Motor vehicles	Furniture, Fixtures & Equipment	Capital WIP	Total
	N'000	N'000	N'000	N'000	N'000	N'000
<b>Costs</b>						
At 1 January, 2020	2,177,845	21,261,588	264,596	192,223	15,855	23,912,107
Additions in the year	-	3,050	3,600	855	301,222	308,727
Disposal	-	(1,791,233)	(8,050)	-	-	(1,799,283)
At 31 December, 2020	<b>2,177,845</b>	<b>19,473,405</b>	<b>260,146</b>	<b>193,078</b>	<b>317,077</b>	<b>22,421,551</b>
At 1 January, 2021	2,177,845	19,473,405	260,146	193,078	317,077	22,421,551
Additions in the year	-	11,705	10,144	3,295	113,151	138,295
Disposal	-	-	(6,100)	-	-	(6,100)
Transfer	-	320,894	-	-	(320,894)	-
At 31 December, 2021	<b>2,177,845</b>	<b>19,806,004</b>	<b>264,190</b>	<b>196,373</b>	<b>109,334</b>	<b>22,553,746</b>
<b>Depreciation</b>						
At 1 January, 2020	298,880	14,532,269	202,453	119,655	-	15,153,257
Charge in the year	45,369	1,273,798	15,279	11,621	-	1,346,067
Disposal	-	(1,791,233)	(5,973)	-	-	(1,797,206)
At 31 December, 2020	<b>344,249</b>	<b>14,014,834</b>	<b>211,759</b>	<b>131,276</b>	<b>-</b>	<b>14,702,118</b>
At 1 January, 2021	344,249	14,014,834	211,759	131,276	-	14,702,118
Charge in the year	45,369	1,115,882	12,082	11,889	-	1,185,222
Disposal	-	-	(4,346)	-	-	(4,346)
At 31 December, 2021	<b>389,618</b>	<b>15,130,716</b>	<b>219,495</b>	<b>143,165</b>	<b>-</b>	<b>15,882,994</b>
<b>Carrying amount</b>						
At 31 December, 2021	<b>1,788,227</b>	<b>4,675,288</b>	<b>44,695</b>	<b>53,208</b>	<b>109,334</b>	<b>6,670,752</b>
At 31 December, 2020	<b>1,833,596</b>	<b>5,458,571</b>	<b>48,387</b>	<b>61,802</b>	<b>317,077</b>	<b>7,719,433</b>

5.1 The following estimated useful lives were used in the computation of depreciation charge during the year:

Class	Useful lives	31-Dec-21	31-Dec-20
		N'000	N'000
Building	40 years		
Plant and Machinery	10 years		
Motor Vehicles	5 years		
Furniture and Equipment	10 years		

**5.2 Land and Building at Cost**

Land	267,580	267,580
Building	1,910,265	1,910,265
	<b>2,177,845</b>	<b>2,177,845</b>

**5.3 Capital Work in Progress**

Plant and Machinery under installation	430,228	317,077
Amount capitalised	(320,894)	-
	<b>109,334</b>	<b>317,077</b>

**5.4 Land**

No depreciation was charged on freehold land owned by the Company.

**5.5 Assets pledged as security**

The Company has pledged its items of property, plant and equipment as security for facility with Banks.

**5.6 Capital Work in Progress**

This represents cost of works yet to be capitalized. No depreciation charge has been recognised on this item.

**6 Investment In Shares**

Jebba Paper Mills Limited - 300,000,000 Ordinary Shares of N1.00 each	300,000	300,000
Dynatech Industries Ghana Ltd. - 5,720,000 Ordinary Shares of GHC1.00 each	364,000	364,000
<b>Others</b>		
Investment in shares - Quoted Companies	8,997	8,880
	<b>672,997</b>	<b>672,880</b>

# MINL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

	31-Dec-21 N'000	31-Dec-20 N'000
<b>7 Inventories</b>		
Raw Materials	2,772,575	1,401,971
Finished Goods	1,467,447	504,641
Work-In-Progress	277,213	1,016,068
Consumables	-	40,469
	<u>4,517,235</u>	<u>2,963,149</u>
<b>8 Trade and Other Receivables</b>		
Trade Receivables - Note 8.1	1,830,337	1,613,098
Other Receivables	12,391	49,638
Loan to related party - Dynatech Industries Ghana Ltd	1,038,155	851,474
FRN Export Grant Receivable	2,027,064	2,027,064
FRN Negotiable Instruments	33,765	1,170,850
	<u>4,941,712</u>	<u>5,712,124</u>
<b>Analysed as:</b>		
<b>8.1 Current</b>	<u>1,842,728</u>	<u>2,799,821</u>
<b>8.2 Non- Current</b>		
FRN Negotiable Instrument and Export Grant Receivables	2,060,829	2,060,829
Loan to related party - Dynatech Industries Ghana Ltd	1,038,155	851,474
	<u>3,098,984</u>	<u>2,912,303</u>
<p>The company's unutilised FRN Negotiable instrument outstanding for years were renegotiated as Redeemable Promissory notes payable on 17th December 2020 but was not redeemed on due date. These redeemable promissory notes were redeemed on the 18th day of February 2021. The redeemable value of the promissory note was N1,137,084,842 out of N1,170,850,000 of the Negotiable instrument issued by FRN.</p>		
<b>8.3 Analysis of Trade Receivables</b>		
Trade Receivables	1,969,097	1,742,545
Impairment allowance	(138,760)	(129,447)
	<u>1,830,337</u>	<u>1,613,098</u>
<b>9 Prepayments and Advances</b>		
Prepaid Expenses	183,366	192,578
Advance to Suppliers	189,834	1,485,733
Advances to Staff	59,269	56,770
	<u>432,469</u>	<u>1,735,081</u>
<b>10 Cash and cash equivalents</b>		
Cash in hand	35,813	27,729
Cash at banks	11,359,731	7,688,177
	<u>11,395,544</u>	<u>7,715,906</u>
Fixed Deposit	-	-
Investment in Mutual Fund -Due within 90 days	-	11,038,112
<b>Short Term Deposit</b>		
Investment in United Capital Short Term -Due within 90 days	5,490,256	-
	<u>16,885,800</u>	<u>18,754,018</u>
<b>11 Investment - Short Term</b>		
Investment in Treasury Bills- Due after 90 days	13,714,055	-
Investment in F G N Bonds( Stanbic IBTC Bank )- Due after 90 days	-	5,136,778
	<u>13,714,055</u>	<u>5,136,778</u>
<b>12 Trade and other payables</b>		
Trade Payables - local	889,597	661,542
Trade Payables -Foreign	1,718,539	291,023
Trade Deposit	168,926	147,876
Accrued Expenses	842,327	489,772
	<u>3,619,389</u>	<u>1,590,213</u>

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

	31-Dec-21 N'000	31-Dec-20 N'000
<b>13 Taxation</b>		
<b>13.1 Taxation payable</b>	573,708	371,526
At 1 January	(573,441)	(371,381)
Payment in the year	1,224,138	573,563
Charge for the year	<u>1,224,405</u>	<u>573,708</u>
At 31 December		
<b>13.2 Deferred taxation</b>	1,841,266	1,851,987
At 1 January	(138,657)	(10,721)
Current year recognised in Profit or Loss	<u>1,702,609</u>	<u>1,841,266</u>
At 31 December		
<b>13.3 Taxation charge</b>	1,119,020	508,122
Income tax	105,118	65,318
Education tax	<u>1,224,138</u>	<u>573,440</u>
Current Year Tax	(138,657)	(10,721)
Deferred tax charge/(write back)	-	123
Police Levy	<u>1,085,481</u>	<u>562,842</u>
Income Expense		
The income tax paid in 2020 was reinstated accordingly from N448,847,000 to N573,440,000. See note 38.		
<b>13.4 Reconciliation of Income Tax Expense for the year to the Accounting Profit as per Profit or Loss:</b>		
Profit Before Tax	3,937,170	2,894,801
Less Exempt Profit	<u>42,639</u>	<u>48,324</u>
Domestic Profit	<u>3,894,531</u>	<u>2,846,477</u>
Tax at the statutory corporation tax rate of 30%	1,168,359	853,943
<b>Effect of:</b>	355,567	403,820
Depreciation	453	22
Loss on sale of fixed assets	52,316	(33,446)
Exchange Difference	2,794	(1,344)
Impairment allowance on receivable	(220,995)	(96,160)
Income from Treasury Bills and Others	(73,156)	(144,807.00)
Income from Federal Government Nigeria Bonds	-	(54,953)
Income from Mutual Funds	(24,000)	
Govt. Grant-Covid-19-B.O.I.	(9,978)	(91)
Investment Allowance	73	701
Balancing charge	<u>(132,413)</u>	<u>(540,000)</u>
Capital Allowance Utilised	1,119,020	387,685
Income Tax	105,118	62,248
Education Tax	1,224,138	449,933
Taxation on current year operation	<u>(138,657)</u>	<u>(10,721)</u>
Deferred Tax	<u>1,085,481</u>	<u>439,212</u>
<b>Income tax expense recognised in profit or loss</b>		

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

	31-Dec-21 N'000	31-Dec-20 N'000
<b>14 Related Parties</b>		
<b>Related party payables</b>		
Manaksia Limited- Parent Company	942,655	-
The figure payable to Manaksia Limited includes dividend (N921 million) and others (N21.7 million). Dividend payable is shown on note 19 while the others form part of the trade payable (Foreign) on note 12		
<b>Related Party Receivables</b>		
		<b>Relationship</b>
Jebba Paper Mill Limited	2,864	43,956
		Subsidiary
Dynatech Industries Ghana Ltd	1,038,155	851,474
		Subsidiary
	<u>1,041,019</u>	<u>895,430</u>

#### Term Loan Granted

The loan was granted to Dynatech Industries limited Ghana, for a 5 year tenure with 1 year moratorium for principal repayment at 5% interest per annum with effect from date of draw down which was 7th December, 2018.

Approved	USD3,000,000
Draw Down	USD 2,500,000

The management approved USD 3 million in 2018, however, USD 2.5 million was drawn out of which a sum of USD 515,000 was repaid.

The Company entered into the following business transactions with Companies that fall within the definition of a related party.

<b>Current year transaction</b>			
Manaksia Limited	Purchases	70,604	629,492
Jebba Paper Mill Limited	Sales	-	4,007
Dynatech Industries Ghana Ltd	Loan	186,681	13,556

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

	31-Dec-21 N'000	31-Dec-20 N'000
15 <b>Borrowing</b>		
Bank Overdraft and Short Term Facilities	<u>2,761,278</u>	<u>2,117,878</u>
16 <b>Employees' benefit Liabilities</b>		
<b>Staff Gratuity</b>		
Gratuity awaiting payment to MINL staff gratuity fund	<u>49,195</u>	<u>32,987</u>

This balance represents part of the gratuity outstanding at the year end, awaiting to be transferred to MINL staff gratuity fund held with Zenith Bank Plc

The Company opted out of the unfunded gratuity scheme in line with an agreement entered with the employees. Under the new dispensation, the annual gratuity due to employees are paid to MINL Staff Gratuity Fund held with Zenith Bank Plc. The Company is not involved with the administration of the funds except to discharge the liabilities of employees under the schemes.

Funds held at the end of the year is available to discharge the post employment gratuity due to employees before the balance is lodged into the bank.

# MINL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

	31-Dec-21 N'000	31-Dec-20 N'000
<b>17 Share capital</b>		
<b>17.1 Authorised</b> 1,000,000,000 Ordinary Shares of N1.00 each	<u>1,000,000</u>	<u>1,000,000</u>
<b>17.2 Issued and fully paid</b> 907,897,869 Ordinary Shares of N1.00 each	<u>907,898</u>	<u>907,898</u>
<b>18 Dividend Payable</b>		
At 1 January	-	2,269,743
Payment during the year	(894,865)	(2,269,743)
Dividend declared during the year	1,815,796	-
At 31 December	<u>920,931</u>	<u>-</u>
<b>19 Retained earnings</b>		
At 1 January	35,661,863	33,329,904
Transfer from income statement	2,851,689	2,331,959
Dividend declared during the year	(1,815,796)	-
At 31 December	<u>36,697,756</u>	<u>35,661,863</u>
<b>19.1 Analysis of Revenue Earnings</b>		
Pioneer Profit - Section 17 Account	10,359,715	12,175,511
Non - Pioneer Profit	26,338,041	23,610,945
	<u>36,697,756</u>	<u>35,786,456</u>
<p>The Profit derived from Pioneer business is exempt from Income Tax under Industrial Development (Income Tax Relief) Act. Similarly, Dividend distributed from Section 17 Account is not liable to Withholding Tax in the hand of the recipient.</p>		
<b>20 Earnings per share</b>		
<p>Earnings per ordinary share (basic) have been computed on profit after taxation divided by the number of issued N1.00 ordinary shares in issue at the year end. There were no potentially dilutive ordinary shares at either year end.</p>		
<b>From continuing operations</b>		
Net Profit attributable to equity holders	2,851,806	2,458,727
Earnings from continuing operations for the purpose of basic earnings per	2,851,806	2,458,727
Effect of dilutive potential ordinary shares	-	-
Earnings from continuing operations for the purpose of diluted earnings pe	<u>2,851,806</u>	<u>2,458,727</u>
<p>The denominators used are the same as those detailed above for both basic and diluted earnings per share from continuing operations.</p>		
Weighted average number of shares	<u>907,898</u>	<u>907,898</u>
Basic earnings per share	<u>3.14</u>	<u>2.71</u>

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

	31-Dec-21 N'000	31-Dec-20 N'000
<b>21 Revenue</b>		
Export Sales and Incentives	-	22,916
Domestic Sales	30,459,125	26,690,832
	<u>30,459,125</u>	<u>26,713,748</u>
<b>22 Other operating income</b>		
Miscellaneous Income	87,893	1,446
Investment income	1,976,448	1,006,064
Rental Income	4,000	3,985
Impairment on trade receivables	-	4,478
	<u>2,068,341</u>	<u>1,015,973</u>
<b>23 Production Cost</b>		
<b>Raw Materials Consumed:</b>		
Raw Materials at start	1,401,971	2,132,958
Purchase of raw materials	24,462,204	19,617,428
	<u>25,864,175</u>	<u>21,750,386</u>
Raw Materials at close	(2,772,575)	(1,401,971)
Cost of raw material consumed	<u>23,091,600</u>	<u>20,348,415</u>
<b>Conversion Cost:</b>		
Factory wages	540,129	525,547
Factory Overhead	1,450,787	1,406,454
Factory Rent	45,293	41,010
Depreciation - Factory Building and Plant & Machinery	1,115,882	1,273,798
	<u>26,243,691</u>	<u>23,595,224</u>
Work-In-Progress at start	1,016,068	401,604
	<u>27,259,759</u>	<u>23,996,828</u>
Work-In-Progress at close	(277,213)	(1,016,068)
Cost of production	<u>26,982,546</u>	<u>22,980,760</u>
<b>Production Cost</b>	26,982,546	22,980,760
Finished Goods at start	504,641	826,052
Finished Goods at close	(1,467,447)	(504,641)
Cost of sales	<u>26,019,740</u>	<u>23,302,171</u>



**MINL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2021**

	31-Dec-21 N'000	31-Dec-20 N'000
<b>24 Administrative expenses</b>	695,400	662,181
Staff cost (Note 34.1)	82,299	79,829
Rent and rates	5,169	4,423
Repairs and maintenance	19,517	18,147
Postage and Telephone	12,028	9,677
Printing and stationaries	116,749	52,307
Professional fees	15,480	15,480
Audit fees	54,767	41,140
Transport and Travelling	9,533	5,788
Electricity	22,363	24,925
Business Promotion and Public Relations	1,510	74
Loss on sale of PPE	96,009	95,409
Insurance and Security	9,313	-
Impairment Allowance on trade receivables	150	-
Director Fees	282,548	84,603
Office and general expenses	79,601	90,987
Bank Charges	46,569	54,408
Vehicle Running expenses	69,340	72,268
Depreciation - Others	<u>1,618,345</u>	<u>1,311,646</u>
<b>25 Selling and Distribution expenses</b>	<u>4,041</u>	<u>12,926</u>
Advertisement and Selling expenses		
<b>26 Finance Cost</b>	331,760	131,027
Interest Charges	616,410	77,150
Exchange Loss	<u>948,170</u>	<u>208,177</u>

# MINL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

	31-Dec-21 N'000	31-Dec-20 N'000
<b>27 Reconciliation of Net Income to Net Cash Generated from Operation</b>		
Profit Before Taxation	3,937,170	2,894,801
Depreciation of PPE	1,185,222	1,346,067
Loss on sale of PPE	1,510	74
Dividend Income	(929)	(4,625)
Interest received	(1,975,519)	(818,264)
Rental Income	(4,000)	(3,985)
Interest paid	737,730	131,027
<b>Changes in working capital:-</b>		
Inventories	(1,554,086)	679,352
Debtors	2,259,705	(367,374)
Creditors	2,029,176	(69,135)
	<b>6,615,979</b>	<b>3,787,938</b>
<b>28 Reconciliation of cash and cash equivalents</b>		
Cash and bank balances (Note 10)	11,395,544	7,715,906
Bank Overdraft and Short Term Facilities	(2,761,278)	(2,117,878)
Investment in Treasury Bills -Due within 90days	-	-
Investment in United Capital Short Term -Due within 90 days	5,490,256	11,038,112.00
<b>Cash and cash equivalents at 31 December</b>	<b>14,124,522</b>	<b>16,636,140</b>
<b>29 Information regarding employees</b>		
<b>29.1 Analysis of staff costs</b>		
Salaries and wages	587,575	537,986
Staff medical and Welfare	107,825	124,195
	<b>695,400</b>	<b>662,181</b>
<b>29.2 Analysis of the company's average monthly number of employees</b>		
Management	38	38
Senior	40	40
Junior	587	592
	<b>665</b>	<b>670</b>
Emoluments fell within the following range:		
- - 600,000	376	374
600,001 - 900,000	94	92
900,001 - 1,200,000	102	107
1,200,001 - 1,800,000	32	37
Above 1,800,000	61	60
	<b>665</b>	<b>670</b>

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

#### 30 Risk management framework

The primary objective of the company's risk management framework is to protect their stakeholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Management recognises the critical importance of having efficient and effective risk management systems in place.

The company's principal significant risks are assessed and mitigated under three broad headings:

**Strategic risks** – This specifically focused on the economic environment, the products offered and market. The strategic risks arise from a company's ability to make appropriate decisions or implement appropriate business plans, strategies, decision making, resource allocation and its inability to adapt to changes in its business environment.

**Operational risks** – These are risks associated with inadequate or failed internal processes, people and systems, or from external events.

**Financial risks** – Risk associated with the financial operation of the company, including underwriting for appropriate pricing of plans, provider payments, operational expenses, capital management, investments, liquidity and credit.

#### 30.1 Strategic risks

The following capital management objectives, policies and approach to managing the risks which affect its capital position are adopted by the company.

- i. To maintain the required level of financial stability thereby providing a degree of security to clients and plan members.
- ii. To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- iii. To retain financial flexibility by maintaining strong liquidity.
- iv. To align the profile of assets and liabilities taking account of risks inherent in the business and regulatory requirements.
- v. To maintain financial strength to support new business growth and to satisfy the requirements of the regulators and stakeholders.

##### Approach to capital management

The company seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and customers.

The company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis.

There has been no significant changes to its capital structure during the past year from previous years.

#### 30.2 Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the group's processes, personnel, technology and infrastructure, and from external factors such as provider tariffs, medical costs, premium review for adequacy, prompt premium payments and collections. Others are legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the group's operations.

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

#### 30.3 Financial risks

The company has exposure to the following risks from financial instruments:

- Credit risks
- Liquidity risks
- Market risks

## MINL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2021

#### a Credit risks

Credit risks arise from a customer payment delays or outright default; inability to fully meet contractual obligations to providers. Exposure to this risk results from financial transactions with a customer.

The Company deals with credit worthy parties as a means of mitigating the risk of financial loss from defaults. The Company's exposure to parties is continuously monitored. Credit risk is controlled by regularly monitoring the counterparty outstandings.

#### Exposure to risk

The carrying amount of the company's financial instruments represents the maximum exposure to credit risk.

	31-Dec-21 N'000	31-Dec-20 N'000
<b>Financial assets</b>		
Trade and other receivables	4,758,346	6,008,966
Cash and cash equivalents	<u>11,395,544</u>	<u>4,388,683</u>
	<b><u>16,153,890</u></b>	<b><u>10,397,649</u></b>
<b><u>Age of receivables due but not impaired</u></b>		
0-30 days	1,374,486	1,091,818
31-60 days	300,788	335,286
61-90 days	1,338	23,652
91-180 days	15,608	8,104
180-365 days	12,298	14,919
Above 365 days	<u>264,580</u>	<u>268,765</u>
Amount receivable from trade debtors	1,969,098	1,742,544
Impairment allowance	(138,760)	(129,447)
	<b><u>1,830,338</u></b>	<b><u>1,613,097</u></b>

#### b Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The company employs policies and procedures to mitigate its exposure to liquidity risk. The company complies with minimum regulatory requirements.

#### c Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

**MINL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER, 2021**

**d Currency risk**

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The company's principal transactions are carried out in naira and dollar and its financial assets are primarily denominated in the Naira. The Company is exposed to Foreign Exchange risk.

**Foreign currency risk management**

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	31/12/2021	
	N'000	USD'000
Assets	1,038,155	2,076.31
Liabilities	5,472,315	10,944.63

**Foreign currency sensitivity analysis**

The Company's exposure on foreign currency (US Dollar) .

The following table details the Company's sensitivity to a 10% increase and decrease in the Naira against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Naira strengthens 10% against the relevant currency. For a 10% weakening of the Naira against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	31/12/2021			
	10% decrease (Appreciation)		10% increase (Devaluation)	
	N'000	USD'000	N'000	USD'000
Profit or loss	547,232	1,094	(547,232)	(1,094)

**31 Capital management**

In the management of its capital, the company has certain objectives which it intends to achieve, these include:

- the safeguarding of the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and the provision of an adequate return to shareholders by pricing products and services commensurately with the level of risk.
- consistency with others in the industry, the company monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt ÷ capital:
- net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (ie ordinary shares, share premium, retained earnings, and other reserves).

**MINL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2021**

The debt-to-equity at 31 December, 2020 and at 31 December, 2019 were as follows:

	31-Dec-21 N'000	31-Dec-20 N'000
Total liabilities	10,228,612	6,512,263
Less: Cash and cash equivalents	<u>16,885,800</u>	<u>13,618,062</u>
Excess Cash	<u><b>6,657,188</b></u>	<u><b>7,105,799</b></u>
Total equity	<u><b>37,606,408</b></u>	<u><b>36,570,398</b></u>
Debt-to-equity	<u><b>27%</b></u>	<u><b>18%</b></u>

**32 Guarantees and other capital commitments**

The directors are of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of these financial statement. The liabilities are relevant in assessing the company's state of affairs.

**33 Staff pension scheme**

The Company complies with the provisions of the Pension Reform Act 2004 whereby both employer 10% and employee contributed 8% of basic, housing and transport allowances on monthly basis. Both employer and employees' contributions are remitted monthly to the employees' chosen Pension Fund Administrators (PFA).

**34 Contingent Liabilities**

There were no contingent liabilities at 31 December 2020 (2019 - Nil) in respect of legal claims.

**35 Events after reporting date**

There were no post balance sheet events that could have material effect on the state of affairs of the company at 31 December 2020 and on the profit for the year ended on that date that have not been taken into accounts in these financial statements.

**36 Comparative figures**

Certain prior period figures have been reclassified to ensure proper disclosure and uniformity with current period presentation for a more meaningful comparison. These reclassification have no net impact on these financial statements.

	N'000
<b>Reinstatement of 2020 current year profit</b>	
Current year profit- 2020	2,456,552
Underprovision for tax	<u>(124,594)</u>
<b>Reinstated Current year profit - 2020</b>	<u><b>2,331,958</b></u>
Current tax provision - 2020	448,847
Under provision for tax	<u>124,594</u>
<b>Reinstated Current year tax - 2020</b>	<u><b>573,441</b></u>

**MINL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER, 2021**

**Value added statement**

	<b>31-Dec-21</b>		<b>31-Dec-20</b>	
	<b>N'000</b>		<b>N'000</b>	
Revenue		30,459,125		26,713,748
Bought in materials and services - Imported		6,685,112		4,661,190
Bought in materials and services - Local		18,536,263		17,431,758
		<u>5,237,750</u>		<u>4,620,800</u>
Other operating Income		2,068,341		1,015,973
Value added		<u><u>7,306,091</u></u>		<u><u>5,636,773</u></u>

**Distribution**

**Employees**

Wages, Salaries and benefits	16.91	1,235,529	21.07	1,187,728
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**Government**

Company income tax	16.76	1,224,138	10.17	573,440
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Deferred tax	(1.90)	(138,657)	(0.19)	(10,721)
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Police Levy	-	-	-	123
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**Providers of capital**

Loan interest	12.98	948,170	3.69	208,177
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**The future**

Asset replacement - depreciation	16.22	1,185,222	23.88	1,346,067
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Profit transferred to shareholders retained earnings	39.03	2,851,689	41.37	2,331,959
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	<u>100</u>	<u>7,306,091</u>	<u>100</u>	<u>5,636,773</u>
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Value Added Income represents the additional wealth the Company has been able to create by its own and its employees efforts. This statement shows the allocation of that wealth between employees, capital providers, government and that retained in the business for further creation of wealth.

**MINL LIMITED**

**FIVE YEAR FINANCIAL SUMMARY  
STATEMENT OF FINANCIAL POSITION**

	AS REPORTED UNDER IFRS				
	31-Dec-21 N'000	31-Dec-20 N'000	31-Dec-19 N'000	31-Dec-18	31-Dec-17
<b>Assets</b>					
<b>Non Current Asset</b>					
Property plant and equipment	6,670,752	7,719,433	8,758,850	10,179,967	11,348,219
Investment in shares	672,997	672,880	670,704	308,203	309,278
FRN Negotiable Instrument and Export Grant	3,098,984	4,049,388	4,035,832	3,197,914	3,197,914
<b>Total non current assets</b>	<b>10,442,733</b>	<b>12,441,701</b>	<b>13,465,386</b>	<b>13,686,084</b>	<b>14,855,411</b>
<b>Current Assets</b>					
Inventories	4,517,235	2,963,149	3,642,501	4,615,093	5,826,357
Trade and other receivables	1,842,728	1,662,736	2,308,464	3,491,224	6,474,653
Prepayment and Advances	432,469	1,735,081	721,979	929,845	
Investment - Short Term	13,714,055	5,136,778	6,992,135	3,696,031	10,240,957
Cash and cash equivalents	16,885,800	18,754,018	13,618,062	13,377,010	5,074,155
<b>Total current assets</b>	<b>37,392,287</b>	<b>30,251,762</b>	<b>27,283,141</b>	<b>26,109,203</b>	<b>27,616,122</b>
<b>Total assets</b>	<b>47,835,020</b>	<b>42,693,463</b>	<b>40,748,527</b>	<b>39,795,287</b>	<b>42,471,533</b>
<b>Liabilities and reserves</b>					
<b>Equity and reserves:</b>					
Share capital	907,898	907,898	907,898	907,898	907,898
Other Reserves	754	637	(1,538)	(39)	1,035
Retained earnings	36,697,756	35,786,456	33,329,904	34,082,904	32,887,442
<b>Total equity</b>	<b>37,606,408</b>	<b>36,694,991</b>	<b>34,236,264</b>	<b>34,990,763</b>	<b>33,796,375</b>
<b>Non current liabilities</b>					
Deferred tax liability	1,702,609	1,841,266	1,851,987	1,802,710	1,828,389
Term Loan	-	-	-	57,371	135,708
Deferred Income - Government Grants	-	-	-	3,996	17,629
<b>Total non current liabilities</b>	<b>1,702,609</b>	<b>1,841,266</b>	<b>1,851,987</b>	<b>1,864,077</b>	<b>1,981,726</b>
<b>Current liabilities</b>					
Trade and other payables	3,619,389	1,590,213	1,659,348	2,195,763	3,724,294
Deferred Income - Government Grants	-	-	-	13,633	21,663
Borrowings	2,761,278	2,117,878	359,659	364,793	1,912,694
Dividend Payable	920,931	-	2,269,743	-	694,542
Taxation payable	1,224,405	449,115	371,526	366,258	340,239
<b>Total current liabilities</b>	<b>8,526,003</b>	<b>4,157,206</b>	<b>4,660,276</b>	<b>2,940,447</b>	<b>6,693,432</b>
<b>Total equity and liabilities</b>	<b>47,835,020</b>	<b>42,693,463</b>	<b>40,748,527</b>	<b>39,795,287</b>	<b>42,471,533</b>