`

May & Baker Nig Plc RC. 558

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2016

MAY & BAKER NIGERIA PLC

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2016

		The Group			The Company		
		June	December	June	June	December	June
		2016	2015	2015	2016	2015	2015
	Note	₦'000	₦'000	₦'000	N'000	N'000	N'000
Continuing operations							
Revenue	5	3,702,933	7,568,466	3,408,748	3,618,563	7,415,203	3,340,829
Cost of sales		(2,603,496)	(5,079,323)	(2,249,403)	(2,562,696)	(4,996,133)	(2,208,673)
Gross profit		**1,099,437**	**2,489,143**	**1,159,345**	**1,055,867**	**2,419,070**	**1,132,156**
Other operating income	7	9,841	32,207	6,403	9,841	32,207	6,403
Distribution, sales and marketing expense		(510,838)	(1,278,254)	(583,204)	(489,008)	(1,248,721)	(571,674)
Administrative expenses		(309,475)	(587,296)	(263,447)	(298,036)	(562,667)	(250,265)
Operating profit		**288,965**	**655,800**	**319,097**	**278,665**	**639,889**	**316,620**
Investment income	8	11,085	22,678	8,752	11,085	22,678	8,752
Other gains and losses	9	-	52,103	262	-	52,103	262
Finance costs	10	(255,802)	(588,184)	(284,385)	(255,273)	(587,345)	(283,889)
Profit before tax		**44,248**	**142,397**	**43,726**	**34,476**	**127,325**	**41,745**
Current tax expense	13.1	(14,159)	(74,364)	(13,992)	(11,032)	(72,793)	(13,358)
Profit for the year	11	**30,089**	**68,033**	**29,734**	**23,444**	**54,532**	**28,387**
Total comprehensive income for the year		**30,089**	**68,033**	**29,734**	**23,444**	**54,532**	**28,387**
Earnings per share	14.						
Basic (kobo per share)		**3.07**	**6.94**	**3.03**	**2.39**	**5.56**	**2.90**
Diluted (kobo per share)		**3.07**	**6.94**	**3.03**	**2.39**	**5.56**	**2.90**

All the profit of the Group is attributable to Owners of the Parents as there are no non-controlling interests.

The accompanying notes form an integral part of these consolidated financial statements.

MAY & BAKER NIGERIA PLC

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2016

		The Group			The Company		
		June	December	June	June	December	June
		2016	2015	2015	2016	2015	2015
	Note	₦'000	₦'000	₦'000	N'000	N'000	N'000
ASSETS							
Non-current assets							
Intangible assets	15	**67,296**	**67,296**	**67,296**	67,296	67,296	67,296
Property, plant and equipment	16	4,191,991	**4,300,147**	**4,154,988**	4,182,099	4,287,427	4,144,980
Deposit for investment	17	245,325	**245,325**	**245,325**	**245,325**	245,325	245,325
Investment in subsidiaries	18		**-**	**-**	**3,000**	3,000	3,000
Asset held for sale	19		**-**	**-**	**-**	-	-
Total non-current assets		**4,504,612**	**4,612,768**	**4,467,609**	**4,497,719**	**4,603,048**	**4,460,601**
Current assets							
Inventories	20	1,130,946	**1,583,256**	**1,317,154**	**1,093,672**	1,539,382	1,280,987
Trade and other receivables	21	1,295,641	**1,647,220**	**1,516,539**	**1,429,339**	1,787,606	1,617,323
Cash and cash equivalents	22	210,132	**307,337**	**241,099**	**161,126**	264,652	227,319
Other assets	23	**94,374**	**86,117**	**93,666**	**88,336**	81,138	93,083
Total current assets		**2,731,093**	**3,623,930**	**3,168,458**	**2,772,473**	3,672,778	**3,218,712**
Total assets		**7,235,705**	8,236,698	7,636,067	**7,270,192**	8,275,826	**7,679,313**
Equity and Liabilities							
Share capital	24	490,000	490,000	490,000	490,000	490,000	490,000
Share premium account	25	1,626,094	1,626,094	1,626,094	**1,626,094**	1,626,094	1,626,094
Retained earnings	26	966,775	995,486	962,087	**1,006,633**	1,041,989	1,016,576
Total equity		**3,082,869**	**3,111,580**	**3,078,181**	**3,122,727**	3,158,083	**3,132,670**
Non-current liabilities							
Borrowings	27	1,298,196	1,301,496	1,379,589	**1,298,196**	1,301,496	1,379,589
Employee benefits	29	111,502	103,420	-	**111,502**	103,420	-
Deferred tax liabilities	13.2	209,567	210,632	175,789	**209,567**	209,567	174,724
Total non-current liabilities		1,619,265	1,615,548	1,555,378	**1,619,265**	1,614,483	**1,554,313**
Current liabilities							
Trade and other payables	28	703,212	1,549,196	1,137,947	**697,841**	1,542,844	1,131,025
Current tax liabilities	13.1	19,538	46,225	48,746	**19,538**	46,227	45,490
Borrowings	27	1,724,025	1,827,243	1,728,905	**1,724,025**	1,827,243	1,728,905
Other liabilities	30	86,796	86,946	86,910	**86,796**	86,946	86,910
Total current liabilities		**2,533,571**	**3,509,610**	**3,002,508**	**2,528,200**	**3,503,260**	**2,992,330**
Total liabilities		**4,152,836**	**5,125,158**	**4,557,886**	**4,147,465**	**5,117,743**	**4,546,643**
Total equity and liabilities		**7,235,705**	**8,236,738**	**7,636,067**	**7,270,192**	**8,275,826**	**7,679,313**

MAY & BAKER NIGERIA PLC

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2016

	Share capital N'000	Share premium account N'000	Retained earnings N'000	Total N'000
Equity attributable to equity holders of the Group				
At 1 January 2015	490,000	1,626,094	976,453	3,092,547
Profit for the year			68,033	68,033
Dividends paid	-	-	(49,000)	(49,000)
At 31 December 2015	**490,000**	**1,626,094**	**995,486**	**3,111,580**
At 1 January 2016	490,000	1,626,094	995,486	3,111,580
Profit for the year	-	-	30,089	30,089
Dividends paid	-	-	(58,800)	(58,800)
At 30 June 2016	**490,000**	**1,626,094**	**966,775**	**3,082,869**
Equity attributable to equity holders of the Company				
At 1 January 2015	490,000	1,626,094	1,036,457	3,152,551
Profit for the year			54,532	54,532
Dividends paid	-	-	(49,000)	(49,000)
At 31 December 2015	**490,000**	**1,626,094**	**1,041,989**	**3,158,083**
At 1 January 2016	490,000	1,626,094	1,041,989	3,158,083
Profit for the year	-	-	23,444	23,444
Dividends paid	-	-	(58,800)	(58,800)
At 30 June 2016	**490,000**	**1,626,094**	**1,006,633**	**3,122,727**

MAY & BAKER NIGERIA PLC

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30 2016

	Note	The Group			The Company	
		June	December	June	June	December
		2016	2015	2015	2016	2015
		N'000	N'000	N'000	N'000	N'000
Cash flows from operating activities						
Cash received from customers		4,095,806	7,888,168	3,837,190	4,020,482	7,503,408
Cash paid to suppliers and employees		(3,701,781)	(6,196,091)	(2,924,911)	(3,636,323)	(5,814,554)
Taxes paid		(40,846)	(38,866)	(12,387)	(37,721)	(36,242)
Net cash from operating activities		**353,179**	**1,653,211**	**899,892**	**346,438**	**1,652,612**
Cash flows from Investing activities						
Proceed from contract manufacturing		1,007			1,007	
Rent received		10,470		7,626	10,470	
Sale of scrap		2,588		1,007	2,588	
Proceeds from sale of fixed assets		1,955	18,474	292	1,955	18,474
Interest received		615	1,787	1,126	615	1,787
Purchases of property, plant and equipment		(154,761)	(528,495)	(119,731)	(154,302)	(517,228)
Net cash used in investing activities		**(138,126)**	**(508,234)**	**(109,680)**	**(137,667)**	**(496,967)**
Cash flows from financing activities						
Dividends paid		**(58,800)**	**(49,000)**	**(44,100)**	**(58,800)**	**(49,000)**
Unclaimed dividend returned				**66**		
Term loans obtained		**407,650**	**174,475**	**-**	**407,650**	**174,475**
Loans repaid		**(454,122)**	**(554,004)**	**(422,174)**	**(454,122)**	**(554,004)**
Finance cost		**(255,802)**	**(588,184)**	**(284,385)**	**(255,802)**	**(587,345)**
Net cash used in financing activities		**(361,074)**	**(1,016,713)**	**(750,593)**	**(361,074)**	**(1,015,874)**
Net increase/(decrease) in cash and cash equivalents		**(146,021)**	**128,264**	**39,586**	**(152,303)**	**139,771**
Cash and cash equivalents at 1 January		**(737,000)**	**(865,264)**	**(865,265)**	**(779,725)**	**(919,496)**
Cash and cash equivalents at 30 June		**(883,022)**	**(737,000)**	**(825,678)**	**(932,028)**	**(779,725)**
Reconciliation of cash and bank balances to cash and cash equivalents						
Cash and bank balance		**210,132**	**307,377**	**241,099**	**161,126**	**264,652**
Bank overdrafts and commercial papers		**(1,093,154)**	**(1,044,377)**	**(1,066,777)**	**(1,093,154)**	**(1,044,377)**
		(883,022)	**(737,000)**	**(825,678)**	**(932,028)**	**(779,725)**

MAY & BAKER NIGERIA PLC

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30, JUNE 2016

1.1 Description of business

May & Baker Nigeria Plc was incorporated as a private limited liability Company in NIgeria on September 4, 1944 and commenced business on the same date. It was listed on the Nigerian Stock exchange in 1994. The Company is involved in the manufacture, sale and distribution of human pharmaceuticals, human vaccines and consumer products. Registered business address is 3/5 Sapara Street, Industrial Estate, Ikeja , Lagos, Nigeria

1.2 Composition of Financial Statement

These financial statements comprise statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows and the notes to the financial statements at 30 June 2016 and 30 June 2015 for both the Group and the Company.

1.3 Accounting convention

The financial statements have been prepared using the historical cost convention, as modified by the revaluation of certain items, as stated in the accounting policies.

1.4 Statement of compliance

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

2. Adoption of new and revised standards

2.1 Accounting standards and interpretations issued but not yet effective

Below are new and amended International Financial Reporting 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 9: Financial instruments

IFRS 9 introduces new requirements for classifying and measuring financial assets and replaces in its entirety IAS 39. Such requirements include the classification of financial assets into two categories only - amortised cost and fair value. Also, most of the requirements related to financial liabilities in IAS 39 remain unchanged excluding the requirement that changes in the fair value of financial liabilities as a result of own credit risk should be recognised in other comprehensive income and not in the income statement. At the IASB's July 2014 meeting, the IASB decided to postpone the mandatory application of IFRS 9 to annual periods beginning on or after 1 January 2018 with early application permitted.

b) IFRS 15: Revenue from Contracts with Customers

To recognize revenue, a company would apply the following five steps: Identify the contract(s) with the customer, Identify the performance obligations in the contract, Determine the transaction price, Allocate the transaction price; Recognize revenue when a performance obligation is satisfied. A company would recognize an asset for the incremental costs of obtaining a contract if those costs are expected to be recovered. For many contracts, such as many straight forward retail transactions, IFRS 15 will have little, if any, effect on the amount and timing of revenue recognition. A company will be able to recognize revenue over time only if the criteria specified in IFRS 15 are met. In all other cases, a company will recognize revenue at the point in time when the customer obtains control of the promised good or service. Application of IFRS 15 is mandatory to annual periods beginning on or after 1 January 2017.

c) Amendments to IFRS 5: Changes in methods of disposal

Amendments clarify that if an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution to owners, or vice-versa, then the change in classification is considered a continuation of the original plan of disposal. These amendments are applicable to annual periods beginning on or after 1 January 2016.

d) Amendments to IAS 16 & 38: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to both IAS 16 and IAS 38 clarifying that when applying the principle of “the basis of depreciation and amortisation is the expected pattern of consumption of the future economic benefits of an asset”, revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets. Additionally further clarified the basis for the calculation of depreciation and amortisation.These amendments are applicable to annual periods beginning on or after 1 January 2016.

e) Amendments to IFRS 7: Mandatory Effective Date and Transition Disclosures

Entities are either permitted or required to provide modified disclosures on transition from IAS 39 to IFRS 9 on the basis of the entity's date of adoption and if the entity chooses to restate prior periods. Amendments also require reclassification disclosures in IFRS 7 (as amended by IFRS 9 (2009)) on transition from IAS 39 to IFRS 9 regardless as to whether they would normally be required due to a change in business model. These amendments are applicable to annual periods beginning on or after 1 January 2015.

f) Amendments to IAS 1: Disclosure Initiative

Amendments designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that entities should use professional judgement in determining where and in what order information is presented in the financial disclosures.These amendments are applicable to annual periods beginning on or after 1 January 2016.

2.2 New and effective standards and interpretations.

The following represent amendments to International and Financial Reporting Standards and interpretations which are effective for annual periods beginning on or after 1 January 2014 including amendments early adopted. These amendments and interpretations have been adopted where applicable in preparing the financial statements.

a) Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities

The amendments clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas: the meaning of 'currently has a legally enforceable right of set-off', the application of simultaneous realisation and settlement, the offsetting of collateral amounts and the unit of account for applying the offsetting requirements.

b) Amendment to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets

The amendment reduces the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

c) Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities

Amends IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements to provide ‘investment entities’ (as defined) an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 Financial Instruments or IAS 39 Financial Instruments: Recognition and Measurement.

d) Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting

Amends IAS 39 Financial Instruments: Recognition and Measurement, makes it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met.

e) Amendments to IAS 19: Defined Benefit Plans: Employee Contributions

Additional guidance added to IAS 19 Employee Benefits on accounting for contributions from employees or third parties set out in the formal terms of a defined benefit plan. The amendments are intended to provide relief in that entities are allowed to deduct employee or third party contributions from service cost in the period in which the service is rendered.

f) Amendments to IFRS 13: Short-term receivables and payables

Amendments clarify that issuing IFRS 13 and amending IFRS 9 and IAS 39 did not remove the ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting if the effect of not discounting is immaterial.

g) IFRIC 21: Levies

Provides guidance on when to recognise a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and those where the timing and amount of the levy is certain. The liability is recognised progressively if the obligating event occurs over a period of time. If an obligation is triggered on reaching a minimum threshold, the liability is recognised when that minimum threshold is reached.

3. Significant accounting policies

The principal accounting policies adopted are set out below.

3.1 Foreign currency translation

Foreign currency transactions are booked in the functional currency of the Group (naira) at the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange ruling at the reporting period. Exchange differences are included in the Statement of profit or loss and other comprehensive income. 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 retranslated.

3.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiary acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

3.3 Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where a business combination is achieved in stages, the Group's previously-held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3(2008) are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

3.4 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

3.4a Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

i. the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
ii. the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
iii. the amount of revenue can be measured reliably;
iv. it is probable that the economic benefits associated with the transaction will flow to the Group; and
v. the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3.4b Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. 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 on initial recognition.

3.4c Rental income

Refer to the leasing policy in note 3.10

3.5 Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably estimated. Manufacturing start-up costs between validation and the achievement of normal production are expensed as incurred. Advertising and promotion expenditure is charged to profit or loss as incurred. Shipment costs on inter-company transfers are charged to cost of sales; distribution costs on sales to customers are included in distribution expenditure. Restructuring costs are recognised and provided for, where appropriate, in respect of the direct expenditure of a business reorganisation where the plans are sufficiently detailed and well advanced, and where appropriate communication to those affected has been undertaken.

3.6 Intangible assets

Intangible assets acquired seperately

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.

Internally generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

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

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition 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.

3.7 Legal and other dispute

Provision is made for the anticipated settlement costs of legal or other disputes against the Group where an outflow of resources is considered probable and a reliable estimate can be made of the likely outcome. In addition, provision is made for legal or other expenses arising from claims received or other disputes. In respect of product liability claims related to certain products, there is sufficient history of claims made and settlements to enable management to make a reliable estimate of the provision required to cover un-asserted claims. The Group may become involved in legal proceedings, in respect of which it is not possible to make a reliable estimate of the expected financial effect, if any, that could result from ultimate resolution of the proceedings. In these cases, appropriate disclosure about such cases would be included but no provision would be made. Costs associated with claims made by the Group against third parties are charged to profit or loss as they are incurred. When the group is virtually certain of receiving reimbursement from a third party (in the form of insurance, a shared liability agreement etc.) to compensate for any lost financial benefit from such disputes, they should recognise a receivable as an

3.8 Pensions and other post-employment benefits

Defined Contribution scheme

The Group operates a defined contribution based retirement benefit scheme for its staff, in accordance with the Pension Reform Act of 2004 with employee and employer contributing 7.5% each of the employee’s relevant emoluments. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

In addition to the pension scheme, the Company operates a gratuity scheme payable to employees that have served a minimum of five years of service. The benefits are calculated based on employees salary for each qualifying year. The Company discharges its obligation to employees once payment is made to the fund managers

3.9 Property plant and equipment

Property, plant and equipment is carried in the consolidated statement of financial position at cost less accumulated depreciation and accumulated impairment.

The cost of acquisition comprises the acquisition price plus ancillary and subsequent acquisition costs, less any reduction received on the acquisition price. The cost of self-constructed property, plant and equipment comprises the direct cost of materials, direct manufacturing expenses, and appropriate allocations of material and manufacturing overheads. Where an obligation exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the related future payments is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

If the construction phase of property, plant or equipment extends over a long period, the interest incurred on borrowed capital up to the date of completion is capitalized as part of the cost of acquisition or construction in accordance with IAS 23 (Borrowing Costs).

Expenses for the repair of property, plant and equipment, such as on-going maintenance costs, are normally recognized in profit or loss. The cost of acquisition or construction is capitalized if a repair (such as a complete overhaul of technical equipment) will result in future economic benefits.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. Freehold land is not depreciated. 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.

The following depreciation periods, based on the estimated useful lives of the respective assets, are applied throughout the Group:

Classes	Useful lives (range)
Buildings	33.33 years
Plant, machinery and fittings	10-20 years
Office equipment and furniture	3-10 years
Trucks and motor vehicles	3-8 years

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.

3.10 Leases

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.

Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group'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 Group's net investment outstanding in respect of the

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.

Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. 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 Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another 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.

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.

3.11 Impairment of non-current assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

The 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 (or cash-generating unit) 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.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) 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.

3.12 Financial Assets

The Group's financial assets include:
- Cash and cash equivalents
- Fixed deposits
- Other investments

3.12a Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and highly liquid investments with maturities of three months or less when acquired and held for meeting short-term cash commitments and not for investment or other purposes. They are readily convertible into known amounts of cash and are held at amortised cost.

3.12b Fixed deposits

Fixed deposits, comprising principally funds held with banks and other financial institutions, are initially measured at fair value, plus direct transaction costs, and are subsequently remeasured to amortised cost using the effective interest rate method at each reporting date. Changes in carrying value are recognised in profit or loss.

3.12c Other investments

Held to maturity

Investments with fixed or determinable payment and fixed maturity dates that management has the intent and ability to hold to maturity are classified as held to maturity and are initially measured at fair value and subsequently at amortized cost using the effective interest method less any impairment.

Available for sale

Liquid investments and other investments are classified as available for- sale investments and are initially recorded at fair value plus transaction costs and then re-measured at subsequent reporting dates to fair value. Unrealised gains and losses on available-for-sale investments are recognised directly in other comprehensive income. Impairments arising from the significant or prolonged decline in fair value of an equity investment reduce the carrying amount of the asset directly and are charged to profit or loss. On disposal or impairment of the investments, any gains and losses that have been deferred in other comprehensive income are reclassified to profit or loss.

Dividends on available for sale (AFS) equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

Available for sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

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, bank balances and cash are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Held for trading

Investments that are acquired principally for the purpose of generating a profit from short term fluctuations in price are classified as held for trading and included in current assets. These are initially measured at fair value and at subsequent reporting dates, these investments are remeasured at their fair values with realized and unrealized gains and losses arising from changes in fair value included in profit or loss for the period in which they arise. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

3.13 Impairment of financial assets

Financial assets 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.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, 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, 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.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. 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. In respect of AFS 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.

3.14 Derecognition of financial assets

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

On derecognition 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.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group 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.

3.15 Financial liabilities

Financial liabilities are recognised when the Group becomes party to the contractual provisions of an instrument and are initially recognised at fair value adding transaction costs.

Financial liabilities (including borrowings and trade payables) are subsequently measured 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 (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.

3.15 Financial liabilities (continued)

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

3.16 Other receivables and liabilities

Accrued items and other non-financial assets and liabilities are carried at cost. They are charged/credited to profit or loss according to performance of the underlying transaction.

3.17 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. Government grants relating to property, plant and equipment are treated as deferred revenue and released to profit or loss over the expected useful lives of the assets concerned.

3.18 Inventories

In accordance with IAS 2 (Inventories), inventories encompass assets held for sale in the ordinary course of business (finished goods and goods purchased for resale), in the process of production for such sale (work in process) or in the form of materials or supplies to be consumed in the production process or in the rendering of services (raw materials and supplies). Inventories are stated at the lower of cost and net realizable value. The net realizable value is the achievable sale proceeds under normal business conditions less estimated cost to complete and selling expenses. Costs of inventories are determined on a first-in-first-out basis.

3.19 Taxation

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

3.19.1 Current tax

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

3.19.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other han in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. For any temporary differences arising on business combinations where the Group can control the reversal of the temporary difference and it is not expected to reverse in the near future, the deferred tax aset/liability is not recognised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.19.3 Current and deferred tax for the year

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. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.20 Discounting

Where the effect of the time value of money is material, balances are discounted to present values using appropriate rates of interest. The unwinding of the discounts is recorded in finance income and finance costs.

3.21 Noncurrent asset held for sale

Non-current assets are classified as assets held for sale and stated at the lower of their previous carrying amount and fair value less costs to sell if their carrying value is to be recovered principally through a sale transaction rather than through continuing use. The condition of being recovered through sale is only met when: "the sale is highly probable, the non-current asset is available for immediate sale in its present condition, management is committed to the sale and the sale is expected to qualify for recognition as a completed sale within one year from the date of classification."

3.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.23 Dividends

Dividends are recognised as a liability in the financial statement in the year in which the dividend is approved by the shareholders.

3.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

3.25 Earnings per share

Earnings per share are calculated by dividing profit for the year by the number of ordinary shares outstanding during the period. Diluted earnings per share are calculated by dividing profit for the year by the fully-diluted number of ordinary shares outstanding during the period.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are 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.

4.1 Critical accounting judgement

The following are the critical judgements and estimates 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 financial statements.

4.1.1 Revenue recognition

In the application of the Group's policy that states that revenues are recognized when significant risks and rewards has been transferred to the buyer, Management has ensured that revenues are recognised when goods are delivered to Customers. When goods remain in the Company's facility as a result of delayed transportation arrangement by the Customer, the Customers are aware based on practice and signed contract notes that the risks and reward of such goods remain with them.

4.1.2 Indefinite useful life of Intangible assets

During the year, the directors reconsidered the recoverability of the Group's intangible asset (trade mark) and assessed if the useful life is still indefinite,the trademark conveys an irrevocable right of use to the Company. Management's assessment for recoverability includes active sales from the products, competition and current market share of the products, it is believed that the asset is fully recoverable.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty 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.

4.2.1 Useful life of Property, Plant and Equipment

Property plant and equipment represent the most significant proportion of the asset base of the Company, accounting for over 60 % of the Company’s total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Company’s financial position and performance and have been properly done.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. Increasing an asset’s expected life or it’s residual value would result in the reduced depreciation charge in the profit or loss.

The useful lives and residual values of the of property, plant and equipment are determined by management.

4.2.2 Allowance for doubtful receivables

Judgment is exercised to make allowance for trade receivables doubtful of recovery by reference to the financial and other circumstances of the debtor in question. Based on the credit terms and experience regarding trade receivables, the Company makes full impairment allowance for doubtful debt of over 360 days

4.2.3 Allowance for obsolete inventory

Management continously assesses inventory items for obsolescence based on the standard operating practice of the Company.

4.2.4 Fair valuation of loan

To obtain the fair value of a loan obtained at below market interest rate, the Group used a valuation technique that include inputs that are based on observable market data Management believes that the key assumptions used in the determination of the fair value are appropriate.

MAY & BAKER NIGERIA PLC

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR JUNE 30 2016

	The Group			The Company		
	June	December	June	June	December	June
	2016	2015	2015	2016	2015	2015
	₦'000	₦'000	₦'000	N'000	N'000	N'000
5. Revenue						
An analysis of the Group's revenue is as follows:						
Sale of Goods	**3,702,933**	7,568,465	3,340,829	**3,618,563**	7,415,203	3,340,829
Total revenue	**3,702,933**	**7,568,465**	**3,340,829**	**3,618,563**	7,415,203	3,340,829

6. Segment information

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on both the types of goods or services delivered or provided and the market where the goods or services are delivered or provided. The Group's reportable segments under IFRS 8 are therefore as follows.

i. Foods - This segment is involved in the production of packege foods including noodles.
ii. Pharmeceuticals - This segment is involved in the production and sale of human pharmaceuticals and human vaccines.

iii. Beverage - This segment is involved in the production of beverage drinks including bottled water.

	The Group			The Company		
	June	December	June	June	December	June
	2016	2015	2015	2016	2015	2015
	₦'000	₦'000	₦'000	N'000	N'000	N'000
6.1 Segment revenue						
Pharmaceuticals	**2,675,902**	5,471,907	2,342,444	**2,591,532**	5,318,645	2,342,444
Beverage	**28,509**	64,516	33,234	**28,509**	64,516	33,234
Foods	**998,521**	2,032,042	965,151	**998,521**	2,032,042	965,151
	3,702,933	**7,568,465**	**3,340,829**	**3,618,563**	**7,415,203**	**3,340,829**

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year.

	The Group			The Company		
	June	December	June	June	December	June
	2016	2015	2015	2016	2015	2015
	₦'000	₦'000	₦'000	N'000	N'000	N'000
6.2 Segment Profit						
Pharmaceuticals	**981,703**	2,259,859	1,005,984	**938,133**	2,112,989	1,005,985
Beverage	**2,096**	(6,428)	(746)	**2,096**	(10,682)	(746)
Foods	**115,636**	230,282	126,917	**115,636**	306,763	126,917
Total segment profit	**1,099,435**	**2,489,143**	**1,159,345**	**1,055,865**	**2,419,070**	**1,132,156**
Other operating income (Note 7)	**9,841**	32,207	6,403	**9,841**	32,207	6,403
Investment Income (Note 8)	**11,085**	22,678	8,752	**11,085**	22,678	8,752
Other gains and losses (Note 9)	**-**	52,103	262	**-**	52,103	262
Central administration costs and directors' salaries	**(820,312)**	(1,865,550)	(846,651)	**(787,044)**	(1,811,388)	(821,939)
Finance costs	**(255,802)**	(588,184)	(284,385)	**(255,273)**	(587,345)	(283,889)
Profit before tax	**44,248**	**142,399**	**43,726**	**34,475**	**127,325**	**41,745**

6.3 Segment accounting policies

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the gross profit earned by each segment without allocation of central administration costs and directors' salaries, selling, marketing and distribution expenses, other operating income, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

6.4 Segment assets and liabilities

The Chief Executive Officer does not assess segment performance based on reports on segment assets and liabilities.

6.5 Information about major customers

There are no customers that represent more than 10% of the total revenue of any of the reported segments.

Geographical information

The Group operates in Lagos and West, East and North principal geographical areas. The Group's revenue from continuing operations from external customers by location of operations are as follows:

	The Group			The Company		
	Revenue from External Customers	Revenue from External Customers	Revenue from External Customers	Revenue from External Customers	Revenue from External Customers	Revenue from External Customers
	June	December	June	June	December	June
	2016	2015	2015	2016	2015	2015
	N'000	N'000	N'000	N'000	N'000	N'000
East	**1,512,009**	2,731,088	1,140,342	**1,499,009**	2,656,088	1,132,423
West	**668,158**	1,887,917	893,667	**633,788**	1,876,917	873,667
Lagos	**1,016,632**	1,999,436	750,788	**981,132**	1,935,438	715,788
North	**506,134**	950,023	623,951	**504,634**	946,760	618,951
	3,702,933	7,568,464	3,408,748	**3,618,563**	7,415,203	3,340,829

	The Group			The Company		
	June	December	June	June	December	June
	2016	2015	2015	2016	2015	2015
	N'000	N'000	N'000	N'000	N'000	N'000
7. Other operating income						
Income on contract manufacturing	**1,007**	4,233	2,781	1007	4,233	2,781
Miscelaneous Income (Note 7.1)	**5,044**	26,812	2,615	5044	26,812	2,615
Sale of scraps items	**2,588**	1,162	1,007	2588	1,162	1,007
Gain/Loss On Fixed Assets Disposal	**1,202**			1202		
Bad debt recoveries	**-**	-	-	**-**	-	-
	9,841	**32,207**	**6,403**	**9,841**	**32,207**	**6,403**

7.1 Miscelaneous Income

Miscelaneous income is earned on insurance claim received from HUGG Robinson and BCM insurance broker. These also includes income received from sales of waste box, waste sugar cartons, flour bags waste sacks, pallets, woods, bottles etc.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2016

	The Group			The Company		
	June	**December**	**June**	**June**	**December**	**June**
	2016	2015	2015	**2016**	2015	2015
	N'000	N'000	N'000	**N'000**	N'000	N'000
8. Investment income						
Rental income (Note 8.1)	**10,470**	**20,891**	7,626	**10,470**	**20,891**	7,626
Interest income	**615**	**1,787**	1,126	**615**	**1,787**	1,126
	11,085	**22,678**	**8,752**	**11,085**	**22,678**	**8,752**

8.1 The rental income is earned on some part of the floor space of company Ikeja factory which is leased out to some other companies

The interest income is earned on short term investments (fixed deposits) with various commercial banks in Nigeria. The investments are not designated at fair value through profit or loss, rather they are carried at amortised cost.

	The Group			The Company		
	June	**December**	**June**	**June**	**December**	**June**
	2016	2015	2015	**2016**	2015	2015
	N'000	N'000	N'000	**N'000**	N'000	N'000
9. Other gains and losses						
Scrapped assets written off	**-**	-	262	**-**	**-**	262
Profit on disposal of property, plant and equipment	**-**	9,434	-	**-**	9,434	-
Foreign exchange (loss)/gain	**-**	42,669	-		42,669	-
	-	**52,103**	**262**	**-**	**52,103**	**262**
10. Finance cost						
Interest on bank overdrafts and loans	**216,904**	310,529	201,264	**216,375**	310,529	200,768
Interest on loans from related party	**38,898**	277,655	83,121	**38,898**	276,816	83,121
	255,802	**588,184**	**284,385**	**255,273**	**587,345**	**283,889**
11. Profit for the year is attributed to:						
Owners of the bussiness	**30,089**	68,033	29,734	**23,444**	54,532	28,387
	30,089	68,033	29,734	23,444	54,532	28,387

All profit is attributable to owners of the
parent as all the subsidiaries are wholly owned.

MAY & BAKER NIGERIA PLC

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2016

	The Group			The Company		
	June 2016 Number	December 2015 Number	June 2015 Number	**June 2016 Number**	December 2015 Number	June 2015 Number
12a Employees remunerated at higher rates						
The number of employees excluding Directors in respect of emoluments excluding provident fund contributions and allowances:						
N - **N**						
250,001 - 300,000	**-**	-	-	**-**	-	-
300,001 - 350,000	**28**	33	33	**28**	33	33
350,001 - 400,000	**54**	66	66	**52**	62	66
400,001 - 450,000	**20**	20	20	**20**	20	20
450,001 - 500,000	**20**	20	20	**20**	20	20
500,001 - 550,000	**93**	90	90	**85**	88	89
550,001 - 600,000	**-**	-	-	**-**	-	-
600,001 - 650,000	**42**	42	42	**42**	42	40
650,001 - 700,000	**-**	-	-	**-**	-	-
700,001 and above	**57**	59	59	**55**	55	58
	314	**330**	**330**	**302**	**320**	**326**
The average number of persons employed in the financial year are as follows:						
Managerial	**17**	21	20	**17**	21	19
Senior staff	**175**	186	186	**170**	181	180
Junior staff	**122**	123	124	**115**	118	127
	314	**330**	**330**	**302**	**320**	**326**
13. Taxation	**N'000**	N'000	N'000	**N'000**	N'000	N'000
13.1 Current tax liabilities						
At 1 January	**46,225**	47,141	47,141	**46,227**	44,519	44,519
Charge for the year	**14,159**	37,950	13,992	**11,032**	37,950	13,358
	60,384	**85,091**	**61,133**	**57,259**	**82,469**	**57,877**
Payment during the year	**(40,846)**	**(38,866)**	**(12,387)**	**(37,721)**	**(36,242)**	**(12,387)**
At 30 June	**19,538**	**46,225**	**48,746**	**19,538**	**46,227**	**45,490**

The charge for taxation in these financial statements was based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 as amended and the Education Tax Act, CAPE 4, LFN 2004

MAY & BAKER NIGERIA PLC

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2016

	The Group			The Company		
	June	December	June	June	December	June
	2016	2015	2015	**2016**	2015	2015
13.2 Deferred taxation						
At 1 January	**209,567**	175,789	175,789	**209,567**	174,724	174,724
Charge for the year	**-**	34,843	-	**-**	34,843	-
At 30 June	**209,567**	**210,632**	**175,789**	**209,567**	**209,567**	**174,724**

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2016

	The Group			The Company	
	June	**December**	**June**	**June**	**Decembe**
	2016	2015	2015	**2016**	2015
	N'000	N'000	N'000	**N'000**	N'000
14. Earnings per share					
The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows.					
Earnings					
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the Company	**30,089**	68,033	29,734	**23,444**	54,532
Number of shares					
Weighted average number of ordinary shares for the purpose of basic earnings per share	**980,000**	980,000	980,000	**980,000**	980,000
Earnings per 50k share (kobo) - basic	3.07	6.94	3.03	2.39	5.56
Weighted average number of ordinary shares for the purpose of dilutive earnings per share	**980,000**	980,000	980,000	**980,000**	980,000
Earnings per 50k share (kobo) - diluted	3.07	6.94	3.03	**2.39**	5.56
15. Intangible assets					
Trademark	**67,296**	67,296	67,296	67,296	67,296

The trademark represents cost of acquisition of trademark of Thalazole, Sulphatriad and Thiazamide products from May and Baker limited, England by the company. No impairment loss has been recognised with respect to the the trade mark as the recoverable amount from the future sales of the product exceeds the carrying value.

The trademark is considered to have an indefinite useful life given the strength and durability of the products and the level of marketing support. The products are in a relatively stable and profitable market sector and their size,diversification and market share indicate that the risk of market-related factors causing a reduction in the life of the trademark is considered to be relatively low. The Company is not aware of any material legal, regulatory, contractual, competitive, or other factor which could limit their useful lives.

MAY & BAKER NIGERIA PLC

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30 2016

16. Fixed asset schedule

GROUP 2015 FIXED ASSETS SCHEDULE AS AT JUNE ENDING

	LAND	Building	Plant & Machinery	TRUCK	Motor Vehicle	CUMPUTER/OFFICE EQUPMENT	FURNITURE &FITTING	SUB TOTAL	Capital Work-In-Progress	TOTAL
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Cost										
At 1 January 2015	183,565	1,993,881	3,728,008	32,637	524,993	244,008	71,149	**6,778,241**	**194,570**	**6,972,811**
Additions	-	4,924.26	23,814.73	5,503.00	10,801.26	7,071.52	708.76	**52,824**	**101,937**	**154,761**
Disposals	-	-	15,180.00	-	29,163.00	1,774.00	93.00	**46,210**		**46,210**
Transfers from Capital WIP								-		-
At 30 June 2016	**183,565**	**1,998,805**	**3,736,643**	**38,140**	**506,631**	**249,305**	**71,765**	**6,784,855**	**296,507**	**7,081,362**
Depreciation										
At 1 January 2015	-	315,397	1,749,553	26,826	329,505	215,412	35,970	**2,672,663**		**2,672,663**
Charge for the year		31,279	174,904	1,940	42,387	8,315	3,141	**261,966**		**261,966**
Disposals	-	-	15,175.00	-	28,439	1,579.00	65.00	**45,258**		**45,258**
Transfers from Capital WIP								-		-
At 31 DECEMEBR 2015	**-**	**346,676**	**1,909,282**	**28,766**	**343,453**	**222,147**	**39,046**	**2,889,370**	**-**	**2,889,370**
Net book value										
At 30 June 2016	**183,565**	**1,652,129**	**1,827,361**	**9,374**	**163,179**	**27,158**	**32,719**	**3,895,484**	**296,507**	**4,191,991**

COMPANY 2015 FIXED ASSETS SCHEDULE AS AT JUNE ENDING

	LAND	Building	Plant & Machinery	TRUCK	Motor Vehicle	CUMPUTER/OFFICE EQUPMENT	FURNITURE &FITTING	**SUB TOTAL**	Capital Work-In-Progress	**TOTAL**
	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	**=N='000**	=N='000	**=N='000**
Cost										
At 1 January 2015	183,565	1,993,881	3,728,008	32,637	503,095	243,277	71,149	**6,755,612**	194,570	**6,950,182**
Additions	-	4,924.26	23,814.73	5,503.00	10,531.26	6,882.52	708.76	**52,365**	101,937	**154,302**
Disposals	-	-	15,180.00	-	29,163.00	1,774.00	93.00	**46,210**		**46,210**
Transfers from Capital WIP								-		-
At 30 JUNE 2016	**183,565**	**1,998,805**	**3,736,643**	**38,140**	**484,463**	**248,386**	**71,765**	**6,761,767**	**296,507**	**7,058,274**
Depreciation										
At 1 January 2015	-	315,397	1,749,553	26,826	319,982	215,027	35,970	**2,662,755**		**2,662,755**
Charge for the year		31,279	174,904	1,940	39,141	8,273	3,141	**258,678**		**258,678**
Disposals	-	-	15,175.00	-	28,439	1,579.00	65.00	**45,258**		**45,258**
Transfers from Capital WIP								-		-
At 30 JUNE 2016	**-**	**346,676**	**1,909,282**	**28,766**	**330,684**	**221,721**	**39,046**	**2,876,175**	**-**	**2,876,175**
Net book value										
At 30 JUNE 2016	**183,565**	**1,652,129**	**1,827,361**	**9,374**	**153,779**	**26,665**	**32,719**	**3,885,592**	**296,507**	**4,182,099**

16.1 The following depreciation rates were used in the computation of depreciation charge during the year:

Class	**Useful lives**	**Useful lives**
Land and buildings	$33^1/_3$ years	$33^1/_3$ years
Plant, machinery and fittings	10-20 years	10-20 years
Office equipment and furniture	3-10 years	3-10 years
Trucks and motor vehicles	3-8 years	3-8 years

16.2 Impairment of property, plant and equipment

There are no indicators of impairment at the end of the reporting period. Thus, the directors are of the opinion that allowance for impairment is not required.

16.3 Assets pledged as security

The Group has not pledged any of its items of property, plant and equipment as security for liabilities.

	The Group			The Company	
	June	December	June	June	December
	2016	2015	2015	**2016**	2015
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
16.4 Depreciation charged for the year is included in:					
Cost of sales	**246,535**	459,076	195,490	**243,247**	457,321
Administrative expenses	**5,415**	15,257	7,619	**5,415**	15,056
Distribution, sales and marketing expenses	**10,016**	13,584	36,892	**10,016**	8,740
	261,966	**487,917**	**240,001**	**258,678**	**481,117**
17. Deposits for investments					
Carrying amount	**245,325**	245,325	245,325	245,325	245,325
	245,325	245,325	245,325	**245,325**	245,325

This represents the deposit the Company made in Biovaccines Limited, a Company incorporated as a result of the joint Venture agreement entered into with the federal government of Nigeria in April, 2007 to engage in the business of production, sale and distribution of human vaccines. Under the arrangement, May & Baker is to have 51% interest in the Company by injecting N520. 4million in the entity while the federal government of Nigeria is to have 49%. As at the reporting date, the Company has only injected the amount above representing 47% of the total investment cost due from them, as government has not approved the commencement of the Biovaccines operations.

As at the reporting date, the Company does not have control over Biovaccines and the deposit is carried at cost. The Directors are of the opinion that the carrying value is not lower than the recoverable amount.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30 2016

	The Group			The Company		
	June 2016	December 2015	June 2015	June 2016	December 2015	June 2015
	N'000	N'000	N'000	**N'000**	N'000	N'000
18. Investment in subsidiaries						
Carrying amount (at cost)				**3,000**	3,000	3,000

Name of subsidiary	Proportion of ownership	Place of incorporati	Place of incorporati	Principal activity
Osworth Nigeria Limited	100%	Nigeria	Nigeria	Distribution and sales of healthcare and pharamaceutical
Tydipack Nigeria Limited	100%	Nigeria	Nigeria	Healthcare and industrial packaging
Servisure Nigeria Limited	100%	Nigeria	Nigeria	Distribution and sales of pharamaceutical products

The Company has control over the three subsidiaries and has consolidated them in the current year.

The investment is represented by one million ordinary shares of N1 each in Osworth Nigeria Limited, Tydipack Nigeria Limited and Servisure Nigeria Limited. The investment is carried at cost.

	The Group			The Company		
	June 2016	December 2015	June 2015	June 2016	December 2015	June 2016
19. Assets held for sale						
Plant, machinery and fittings	**-**	-	-	**-**	-	-
Office furniture and equipment	**-**	-	-	**-**	-	-
	-	-	-	**-**	-	-
20. Inventories						
Raw materials	**588,117**	834,507	735,811	**588,117**	821,419	729,644
Work-in-progress	**17,158**	53,994	97,728	**17,158**	49,996	97,728
Finished goods	**328,503**	487,289	294,002	**291,229**	460,501	264,002
Spare parts	**197,168**	207,466	189,613	**197,168**	207,466	189,613
	1,130,946	**1,583,256**	**1,317,154**	**1,093,672**	**1,539,382**	**1,280,987**
Stock write down	**-**	-	-		-	-
	1,130,946	1,583,256	1,317,154	**1,093,672**	1,539,382	1,280,987

20.1 There are no inventories pledged as security for liabilities.

20.2 The amount charged to profit or loss in respect of write down of inventory to net realisable value is Nil (June 2015 : Nil).

MAY & BAKER NIGERIA PLC

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30 2016

	The Group			The Company	
	June 2016	December 2015	June 2015	2016	December 2015
	N'000	N'000	N'000	**N'000**	N'000
21. Trade and other receivables					
21.1 Trade receivables					
Trade receivables	**1,356,080**	1,748,953	1,516,439	**1,313,101**	1,715,020
Less: allowance for doubtful debts	**(241,097)**	(241,097)	(225,272)	**(231,166)**	(231,166)
	1,114,983	**1,507,856**	**1,291,167**	**1,081,935**	**1,483,854**
21.2 Other receivables:				**-**	
Staff loans	**25,815**	1,094	4,724	**25,815**	1,094
Staff advance	**20,436**	19,476	58,392	**20,436**	17,708
Other debtor	**177,130**	121,394	108,465	**175,837**	126,136
Witholding tax recoverable	**89,438**	128,279	112,154	**89,438**	113,024
Novartis limited	**-**	1,282	3,631		1,282
Due from related companies		-	-	**168,039**	176,668
	312,819	**271,525**	**287,366**	**479,565**	**435,912**
Less: allowance for doubtful debt	(132,161)	(132,161)	(61,994)	**(132,161)**	(132,161)
	180,658	**139,364**	**225,372**	**347,404**	**303,751**
Total trade and other receivables	**1,295,641**	**1,647,220**	**1,516,539**	**1,429,339**	**1,787,605**

21.3 Trade receivables

Trade and other receivables disclosed above are carried at cost less allowance for doubtful debts.

The average credit period taken on sales of goods is between 30-45 days. No interest is charged on the overdue receivables. The Group has recognised an allowance for doubtful debts of 100% against all receivables over 360 days because historical experience has been that receivables that are past due beyond 360 days may be doubtful of recovery. In most cases these debts are recovered. Allowances against doubtful debts are recognised against trade receivables outstanding for more than 360 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty.

Before accepting any new customer, the company uses an internal credit scoring system to assess the potential customer's

credit quality and defines credit limits by customer. The internal credit scoring system are constantly reviewed.

Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the reporting date but against which the company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. 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.

	The Group			The Company		
	June 2016	**December 2015**	**June 2015**	**June 2016**	**December 2015**	**June 2015**
	N'000	N'000	N'000	**N'000**	N'000	N'000
21. Trade and other receivables (Cont'd)						
Ageing of past due but not impaired receivables:						
0-30 days	**624,624**	333,193	325,491	**581,645**	333,193	305,491
31-60 days	**109,209**	330,269	336,463	**109,209**	330,269	321,463
61-90 days	**124,210**	199,272	259,080	**134,555**	175,270	244,080
91-360 days	**256,940**	645,122	370,133	**256,526**	645,122	367,333
Over 360 days	**241,097**	241,097	225,272	**231,166**	231,166	218,188
Total	**1,356,080**	**1,748,953**	**1,516,439**	**1,313,101**	**1,715,020**	**1,456,555**

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30 2016

	The Group			The Company		
	June 2016	**December 2015**	**June 2015**	**June 2016**	**December 2015**	**June 2015**
	N'000	N'000	N'000	**N'000**	N'000	N'000
22. Cash and cash equivalents						
Cash in hand	**44,520**	183,492	33,245	**44,520**	183,492	33,245
Cash at bank	**164,343**	93,990	126,403	**115,337**	51,265	112,623
Short term deposits	**1,269**	29,895	81,451	**1,269**	29,895	81,451
	210,132	**307,377**	**241,099**	**161,126**	**264,652**	**227,319**

Restricted cash
The short term deposits above is in respect of the unclaimed dividend balance that has been invested in a demand deposit account.

Reconciliation of cash and bank balance to cash and equivalents
For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdraft and commercial acceptances. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

Cash and cash equivalents

	The Group			The Company		
	June 2016	**December 2015**	**June 2015**	**June 2016**	**December 2015**	**June 2015**
	N'000	N'000	N'000	**N'000**	N'000	N'000
Cash in hand and bank	**210,132**	307,377	241,099	**161,126**	264,652	227,319
Bank overdrafts and commercial papers (Note 27)	**1,093,154**	(1,044,377)	(1,066,777.00)	1,093,154.38	(1,044,377.00)	(1,066,777)
As per consolidated statement of cash flows	**1,303,286**	(737,000)	(825,678)	1,254,280	(779,725)	(839,458)
23. Other assets						
Advance payment to vendors	**5,587**	19,302	-		14,898	-
Prepayments	**88,787**	66,815	93,666	**88,336**	66,240	93,083
	94,374	**86,117**	**93,666**	**88,336**	**81,138**	**93,083**
24. Share capital						
Authorised:						
3,800,000,000 ordinary shares of 50 kobo each	**1,900,000**	1,000,000	1,000,000	**1,900,000**	1,000,000	1,000,000
Issued and fully paid:						
980,000,000 ordinary shares of 50 kobo each	**490,000**	490,000	490,000	**490,000**	490,000	490,000

MAY & BAKER NIGERIA PLC

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30 2016

		The Group			The Company	
		June 2016	December 2015	June 2015	June 2016	December 2015
		N'000	N'000	N'000	**N'000**	N'000
25.	**Share premium account**					
	At 30 June	**1,626,094**	1,626,094	1,626,094	**1,626,094**	1,626,094
26.	**Retained earnings**					
	At 1 January	**995,486**	976,453	976,453	**1,041,989**	1,036,457
	Retained profit for the year	**30,089**	68,033	29,734	**23,444**	54,532
	Dividend paid	**(58,800)**	(49,000)	(44,410)	(58,800)	(49,000)
	At 30 June	**966,775**	995,486	962,087	1,006,633	1,041,989
27.	**Borrowings**					
	Borrowing at amortised cost					
	Overdraft and commercial papers					
	Bank overdrafts	**887,770**	947,817	1,019,087	**887,770**	947,817
	Commercial papers	**205,384**	96,560	47,690	**205,384**	96,560
		1,093,154	**1,044,377**	**1,066,777**	**1,093,154**	**1,044,377**
	Loan					
	Term Loan - FCMB	**-**	28,206	5,530	**-**	28,206
	Term Loan - FCMB 2 foods Vehicle lease	**22,856**	146,269	367,500	**22,856**	146,269
	Term Loan - FCMB Machine lease	**102,107**	-	-	**102,107**	-
	CBN Intervention fund - Term loan	**315,000**	332,500	867,848	**315,000**	332,500
	Term loan - Bank of industry	**679,620**	767,905	-	**679,620**	767,905
	Term loan - TY Holdings	**809,482**	809,482	800,839	**809,482**	809,482
		1,929,066	**2,084,362**	**2,041,717**	**1,929,066**	**2,084,362**
	Total borrowings	**3,022,221**	**3,128,739**	**3,108,494**	**3,022,221**	**3,128,739**
	Analysis of loan balance to current and non-current portion.					
	Bank overdraft	**887,770**	947,817	1,019,087	**887,770**	947,817
	Commercial papers and Bankers acceptance	**205,384**	96,560	47,690	**205,384**	96,560
	Term Loan - FCMB	**-**	-	5,530	**-**	-
	Term Loan - FCMB 2 foods Vehicle lease	**5,936**	16,168	-	**5,936**	16,168
	Term Loan - FCMB Machine lease	**41,921**	115,334	-	**41,921**	115,334
	CBN intervention fund- Term loan	**52,500**	70,000	35,000	**52,500**	70,000
	Term loan - Bank of industry	**105,941**	211,882	154,015	**105,941**	211,882
	Term loan -TY Holdings	**424,572**	369,482	467,583	**424,572**	369,482
	Current Portion	**1,724,025**	**1,827,243**	**1,728,905**	**1,724,025**	**1,827,243**
	CBN intervention fund - Term loan	**262,500**	262,500	332,500	**262,500**	262,500
	Term loan - FCMB 2 foods Vehicle lease	**16,920**	12,038	713,833	**16,920**	12,038.00
	Term loan - FCMB Machine lease	**60,187**	30,935	-	**60,187**	30,935.00
	Term loan - Bank of industry	**573,679**	556,023	-	**573,679**	556,023.00
	Term loan - TY Holdings	**384,910**	440,000	333,256	**384,910**	440,000.00
	Non-current Portion	**1,298,196**	**1,301,496**	**1,379,589**	**1,298,196**	**1,301,496**

All the borrowings were obtained in naira, the functional currency of the Group. The principal features of the Company's borrowings are described below:

a) Bank overdrafts and commercial papers

The Bank Overdrafts and Commercial Papers are secured by a negative pledge on the Company's assets and their interest rate range from 16.5% and 19%. Bank overdrafts are repayable on demand.

27. Borrowings (continued)

b) Bank of Industry Facility

Bank of Industry granted the company a medium term facility of N1.25 billion on 18 June 2013 with initial drawdown on 27 December. The loan facility is for 6 years period (inclusive of one year moratorium) at interest rate of 10% per annum payable monthly in arrears. The loan is repayable in 60 equal and consecutive instalments commencing from 1 January 2015.

c) FCMB Facility

The facility was obtained in March 2012 and repayable in 36 equal monthly instalments.

d) TY Holdings Facility

The **s**um of N2 Billion was obtained in 2012 to refinance existing loans and working capital facilities.The facility was obtained from a related party.Interest is 11% per annum. The loan and accruing interest is to be repaid over 36months period commencing 12 months after the date of disbursement of the loan.

e) CBN Intervention Fund

A Central Bank of Nigeria (CBN) Intervention fund to Manufacturers in the sum of N920 million was received in October 2010 at 7% interest per annum. The CBN facility is in two parts with N700 million repayable in 40 equal quarterly installments from January 2011 and N220 million working capital renewable half yearly. The facilities are covered by a negative pledge on the assets of the Company.

	The Group			The Company	
	June 2016	**December 2015**	**June 2015**	**June 2016**	**December 2015**
	N'000	N'000	N'000	**N'000**	N'000
28. Trade and other payables					
Trade creditors	**196,844**	1,145,776	536,219	**196,844**	1,139,868
	-		-		
Other payables:	**-**		-	**-**	
Accruals	**4,417**	15,316	35,815	**4,417**	15,316
Witholding tax payable	**131,962**	119,706	128,960	**131,962**	119,623
Social Security	**148,289**		113,978	**148,289**	-
Dividend payable (Note 28.1)	**122,683**	124,081	124,122	**122,683**	124,081
Employee Benefit	**-**		101,021		
Due to related companies	**28,572**	30,565	33,976	**28,572**	30,565
Other creditors	**70,444**	113,752	63,856	**65,073**	113,392
	506,368	**403,420**	**601,728**	**500,997**	**402,977**
	703,212	**1,549,196**	**1,137,947**	**697,841**	**1,542,844**

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 45 days. For most suppliers no interest is charged on the trade payables from the date of the invoice. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The directors consider that the carrying amount of trade payables approximates to their fair value.

	The Group			The Company	
	June 2016	**December 2015**	**June 2015**	**June 2016**	**December 2015**
	N'000	N'000	N'000	**N'000**	N'000
28.1 Dividend payable					
At 1 January	**124,081**	127,577	127,577	**124,081**	127,577
Unclaimed returned during the year	**-**	-	66	**-**	-
Paid during the year	**(1,398)**	(3,496)	(3,521)	**(1,398)**	(3,496)
At 30 June	**122,683**	**124,081**	**124,122**	**122,683**	**124,081**

The balance at year end represents the amount that are yet to be received by shareholders.

	The Group			The Company	
	June 2016	December 2015	June 2015	June 2016	December 2015
	N'000	N'000	N'000	**N'000**	N'000
29. Employee benefit payable					
At 1 January	**103,420**	**115,106**	115,106	**103,420**	115,106
Charge for the year	**8,083**	**19,305**	8,915	**8,083**	19,305
Payment during the year	**-**	**(30,991)**	(23,000)	**-**	(30,991)
Interest cost	**-**	-	-	**-**	-
At 30 June	**111,503**	**103,420**	**101,021**	**111,503**	**103,420**

The Employee benefit payable relates to the gratuity scheme operated for its employees. The scheme requires the Company to calculate the gratuity entitlements of the employees each year based on the salary as at 31st December of each year using the scale of entitlements applicable to the staff and pay the amount calculated to the Fund Managers. Upon payment of the calculated amount, it is discharged of all liabilities. The Group remains liable to the employees to the tune of the amounts disclosed as it has not remitted these amounts to the fund managers.

	The Group			The Company	
	June 2016	December 2015	June 2015	June 2016	December 2015
	N'000	N'000	N'000	**N'000**	N'000
30. Other liabilities					
Deferred income	**86,796**	86,796	86,910	**86,796**	86,796
Customer deposits	**-**	150	-		150
	86,796	**86,946**	**86,910**	**86,796**	**86,946**

The deferred revenue represents the grant element of BOI loans, after the loans were re-measured using the effective interest rate. The government grant have been recognised as deferred revenue that will be recognised in the profit or loss on a systematic basis over the tenure of the loan with government grant embedded in it.

31. Related party information

31.1 Identify related parties

The related parties to the Company include:

Osworth Nigeria Limited - An wholly owned subsidiary of the Company involved in the distribution of pharmaceutical products.

Tydipacks Nigeria Limited- An wholly owned subsidiary of the Company involved in healthcare and industrial packaging.

Servisure Nigeria Limited- An wholly owned subsidiary of the Company involved in the distribution of pharmaceutical products.
Ty Holdings Limited- A Company owned by the Chairman, Board of Directors.
Biovaccines Limited - (see note 17)

Biovaccines Nigeria Limited is yet to commence commercial operations. Transactions on its behalf are mainly in respect of expenses incurred in maintaining its assets and personnel at its old site at Harvey Road, Yaba, Lagos. May & Baker Nigeria Plc therefore maintains an inter-company account with it for such transactions, including disbursements also made by Biovaccines Nigeria Limited on behalf of May & Baker Nigeria Plc. At the balance sheet date, the amount outstanding and due to Biovaccines Nigeria Limited was N41.4 million.

Key Management personnel

The Key management personnels of the Group include its directors (both executive and non-executive) and other identified key management staff.

Lt - Gen T.Y Danjuma (rtd)	Non-executive Director
Mr Nnamdi N Okafor	Executive Director
Mr. E.O Ibidapo	Executive Director
Mr. I . Dankaro	Non-executive Director
Mr. A. Adeleke	Non-executive Director
Mrs. G. I. Odumodu	Non-executive Director
Dr. E. Abebe	Non-executive Director

31.2 Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Sales of goods to related parties were made at the Group's usual price list. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.

The amounts due from and to related companies arose from sale and purchase of goods and services.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

There were no significant transactions with other related companies.

	The Group			The Company		
	June 2016	**December 2015**	**June 2015**	**June 2016**	**December 2015**	**June 2015**
	N'000	N'000	N'000	**N'000**	N'000	N'000
	Due from related company			**Due to related company**		
31.3 Related party transactions						
Osworth Nigeria Limited	**103,554**	113,058	147,603	**-**	-	
Biovaccines Nigeria Limited	**-**		-	**28,572**	**30,565**	33,976
Servisure	**9,790**	9,533	5,982	**-**	-	
Tydipacks Nigeria Limited	**54,544**	54,077	-	**-**	-	-
	167,887	176,668	153,585	**28,572**	30,565	33,976

31.4 Loans to related parties

No loan was granted to any related entity or key management personnel or entities controlled by them.

31.5 Loans from related parties

On 9th July, 2012 the Company obtained a term loan of N2 billion from TY Holdings Limited, a Company controlled by TY Danjuma, the Chairman of the Company who currently holds 26.01% of the issued share capital of the Company. The facility was obtained at a below market interest rate of 11% per annum and payable over a 36 months period after an initial moratorium period of 12 months.

Default clause

Where the Company defaults in the repayment of the principal and or interest 120 days after the payment of any instalment falls due, the lending shareholder may, at anytime thereafter by written notice to the Company, elect to convert some or all of the outstanding loan sum plus interest to ordinary share capital of the company (which shares shall rank pari passu with the existing ordinary shares in the capital of the Company). The conversion price shall be the prevailing price that the Borrower's shares traded in the Nigerian Stock Exchange at the date the loan was first disbursed.

31.6 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.

	The Group			The Company		
	June 2016	December 2015	June 2015	June 2016	December 2015	June 2015
	N'000	N'000	N'000	**N'000**	N'000	N'000
Director's remuneration						
Director's fees	**-**	1,200	-	**-**	1,200	-
Salaries and allowances	**30,159**	70,658	30,159	**30,159**	70,658	30,159
	30,159	71,858	30,159	30,159	71,858	30,159

32. Financial Instruments

32.1 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of its capital structure.

The capital structure of the Group is made up of debts (bank overdrafts, commercial papers and term loans) and equity comprising issued capital, retained earnings and share premium.

The Group is not subject to any externally imposed capital requirements.

The Group's risk management team reviews the capital structure periodically. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

The risk management team monitors the gearing ratio to ensure its within the Group's targeted level. The current gearing ratio of the Group and Company is as below:

	JUNE 2016 N'000	**JUNE 2015** N'000
Gearing ratio		
The gearing ratio is as follows:		
Net debt		
Debt	**3,022,221**	3,108,494
Cash and cash equivalents	**(210,132)**	(241,099)
Net Debt	**2,812,089**	**2,867,395**
Equity		
Ordinary shares	**490,000**	490,000
Share premium	**1,626,094**	1,626,094
Retained earnings	**966,775**	962,087
	3,082,869	**3,078,181**
Net debt to equity ratio	0.91	**0.93**

i. Debt is defined as current- and non current borrowings (as described in note 28).
ii. Equity includes all capital and reserves of the Group that are managed as capital.

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR FOR THEPERIOD ENDED 30 JUNE 2016

32.2 Categories of financial instruments

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

Group

	Loans and receivables N'000	Non financial assets N'000	JUNE '2016 TOTAL N'000
Assets			
Intangible assets		**67,296**	**67,296**
Property, plant and equipment	**-**	**4,191,991**	**4,191,991**
Deposit for investment	**245,325**		**245,325**
Investment in subsidiaries	**-**		
Inventories	**-**	**1,130,946**	**1,130,946**
Trade and other receivables	**1,295,641**		**1,295,641**
Cash and bank balances	**210,132**		**210,132**
Other assets	**-**	**94,374**	**94,374**
	1,751,098	**5,484,607**	**7,235,705**

Liabilities	Amortised cost N'000	Non-financial N'000	Total N'000
Borrowings	**3,022,221**	**-**	**3,022,221**
Deferred tax liabilities	**-**	**209,567**	**209,567**
Other liabilities	**-**	**198,298**	**198,298**
Trade and other payables	**703,212**	**-**	**703,212**
Current tax liabilities	**-**	**19,538**	**19,538**
	3,725,433	**427,404**	**4,152,836**

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

Group

	Loans and receivables N'000	Non financial N'000	JUNE 2015 Total N'000
Assets			
Intangible assets	-	67,296	67,296
Property, plant and equipment	-	4,154,988	4,154,988
Deposit for investment	245,325	-	245,325
Inventories	-	1,317,154	1,317,154
Trade and other receivables	1,516,539	-	1,516,539
Cash and bank balances	241,099	-	241,099
Other assets	-	93,666	93,666
	2,002,963	5,633,104	7,636,067

	Amortised cost N'000	Non-financial N'000	Total N'000
Liabilities			
Borrowings	3,108,494	-	3,108,494
Deferred tax liabilities	-	175,789	175,789
Other liabilities	-	86,910	86,910
Trade and other payat	1,137,947	-	1,137,947
Current tax liabilities	-	48,746	48,746
	4,246,441	311,445	4,557,886

Categories of financial instruments (Cont'd)
The Company's financial assets and financial liabilities as at the reporting date is tabulated below:

Company 2016	Loans and receivables N'000	Non financial N'000	JUNE 2016 Total N'000
Assets			
Intangible assets	**-**	**67,296**	**67,296**
Property, plant and equipment	**-**	**4,182,099**	**4,182,099**
Deposit for investment	**245,325**		**245,325**
Ivestment in subsidiaries	**3,000**		**3,000**
Inventories	**-**	**1,093,672**	**1,093,672**
Trade and other receivables	**1,429,339**		**1,429,339**
Cash and bank balances	**161,126**		**161,126**
Other assets	**-**	**88,336**	**88,336**
	1,838,790	**5,431,402**	**7,270,192**

Liabilities	Amortised cost N'000	Non-financial liabilities N'000	Total N'000
Borrowings	**3,022,221**		**3,022,221**
Deferred tax liabilities	**-**	**209,567**	**209,567**
Other liabilities	**-**	**86,796**	**86,796**
Trade and other payables	**809,344**		**809,344**
Current tax liabilities	**-**	**19,538**	**19,538**
	3,831,565	**315,901**	**4,147,466**

Company 2015

	Loans and receivables N'000	Non financial assets N'000	JUNE 2015 Total N'000
Assets			
Intangible assets		67,296	**67,296**
Property, plant and equipment	-	4,144,980	**4,144,980**
Deposit for investment	245,325	-	**245,325**
Investment in subsidiaries	3,000	-	**3,000**
Inventories	-	1,280,987	**1,280,987**
Trade and other receivables	1,617,323	-	**1,617,323**
Cash and bank balances	227,319	-	**227,319**
Other assets	-	93,083	**93,083**
	2,092,967	5,586,346	7,679,313

	Amortised cost N'000	Non-financial liabilities N'000	Total N'000
Liabilities			
Borrowings	3,108,494	-	**3,108,494**
Deferred tax liabilities	-	174,724	**174,724**
Other liabilities	-	86,910	**86,910**
Trade and other payables	1,131,025	-	**1,131,025**
Current tax liabilities	-	45,490	**45,490**
	4,239,519	307,124	4,546,643

32.3 Financial risk management objectives

The company’s Corporate Treasury function provides services to the business, co-ordinates foreign exchage transactions, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Market risk

The Company's exposure to variations in foreign exchange rate and interest rates are minimal and the Company is not expected to be exposed to these risks at a higher than minimal level.

32.4 Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group’s exposure to the risk of changes in foreign exchange rates is minimal as the Group's borrowing activities are in local currency and trade customers are billed in Naira. Exposure to foreign exchange risk only relates to purchase of operating materials (e.g. raw materials and specialised products) abroad, this is minimised by restricting imports to circumstance where no local alternative exist. The Group makes use of letter of credit facilities to transact with foreign suppliers.

	JUNE 2016 N'000	JUNE 2015 N'000
Exposure to foreign currency		
Bank account		
In US Dollars	**96,812**	**(7,183)**
In Euros	**1,335**	**654**
In GBP	**154**	**64,213**
	98,301	57,684

The Group is not materially exposed to foreign currency changes as most of trading transactions and borrowing activities are denominated in Naira.

32.5 Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks and financial institutions.

	The Group			The Company		
	June 2016	December 2015	June 2015	June 2016	December 2015	June 2015
	N'000	N'000	N'000	**N'000**	N'000	N'000
Exposure to credit risk						
Trade receivables	**1,356,080**	1,748,953	1,516,439	**1,313,101**	1,715,020	1,456,554
Other receivables	**312,819**	271,525	287,366	**479,565**	435,912	440,951
Bank balances	**210,132**	307,377	241,099	**161,126**	264,652	227,319
	1,879,031	**2,327,855**	**2,044,904**	**1,953,792**	**2,415,584**	**2,124,824**

32.5.1 Trade receivables

Customer credit risk is managed by each business unit subject to the Group’s established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. A sales representative is attached to each customer and outstanding customer receivables are regularly monitored by the representative. The requirement for an impairment is analysed at each reporting date on an individual basis for major customers, additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

Collateral and other credit enhancements

The Group does not hold any collateral or other credit enhancements from customers. On a case by case basis the group creates a legal right of offset against any amount owed by the group to the counter party.

Concentration risk

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

There are no customers during the current reporting period that represents more than 5% of the total trade receivables.

32.5.2 Other receivables

This is mainly from due from related companies. The Group's financial controller continously monitors and reviews the receivables.

32.5.3 Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Group’s treasury department in accordance with the Group’s policy. Surplus funds are spread amongst reputable commercial banks and funds must be within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group’s financial controller periodically and may be updated throughout the year subject to approval of the Group's Chief Exceutive Officer. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty’s failure. The Group’s maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

32.6 Liquidity risk management

The Group monitors its risk to a shortage of funds by maintaining a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. It also ensures that short term funds are used strictly for working capital purposes while capital projects are funded from long tenored borrowings. Access to sources of funding is sufficiently available.

33. Guarantees and other Financial Commitments

Charges on assets
The bank loans and overdrafts are secured by a negative pledge on the Company's assets.

Capital expenditure
Capital expenditure authorised by the Directors but not contracted was nil (Dec 2015 : nil).
The Directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of the financial statement.

34. Contingent liabilities

There were no contingent liabilities resulting from litigations at 30 June 2016 (December 2015 - Nil).

35. Events after the reporting date

The Directors are of the opinion that there were no significant events after the balance sheet date which would have had any material effect on the accounts which have not been adequately provided for or disclosed in the financial statement.

36. Major suppliers

The Company's suppliers are both local and foreign. Some of the Companies major suppliers include:

Local
Drugs & Healthcare Limited
National Salt Company
Dangote Flour Mills Plc
Primal Nigeria Limited
Chellarams Plc
Flour Mills of Nigeria Plc
Presco Plc.

Foreign
IPCA Laboratories Limited (india)
Aurobindo Pharm. Limited (india
Surya Engineers (India)
Caffry Sanders International Limited (UK)
Belco Pharma (India)

The Company is not related to any of its suppliers.