

MINL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2016

MINL LIMITED

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MINL LIMITED

CORPORATE INFORMATION

- 1 **BOARD OF DIRECTORS**
Mr. Mathew Ayotunde Shobiye
Mr. Shirish Mehta
Mr. Anup Kumar Drolia
Mr. Dinesh Kumar

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

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

- 4 **SECRETARIES**
Mathmer & Associates
3, Layi Oyekanmi Street
Mushin
Lagos

- 5 **AUDITORS**
Messrs Opone Johnson & Co.
(Chartered Accountants)
16B Joy Avenue
Ajao Estate
Lagos.

MINL LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST DECEMBER, 2016

The Directors submit their Report together with the Audited Financial Statements for the year ended 31st December, 2016.

1	<u>OPERATING RESULT</u>	<i>N'000</i>
	Profit Before Taxation	4,216,795
	Taxation	187,715
	Profit After Taxation	<u>4,029,080</u>
2	<u>DIVIDEND</u>	
	Dividend	<u>2,017,551</u>
		<u>2,017,551</u>

The Directors are pleased to recommend to members for adoption dividend of N2,017,550,820 as dividend. The dividend of N2.22222222 per share is payable subject to approval of members at the Annual General Meeting. The Dividend is appropriated from Section 17 Account under the Industrial Development (Income Tax Relief) Act.

3 **LEGAL FORM**

The Company was incorporated in September, 1995 as private Limited Company.

4 **PRINCIPAL ACTIVITIES AND BUSINESS**

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

5 **SHAREHOLDINGS**

The Company's shares are held by the under listed Shareholders as at 31st December, 2016.

	<u>No. of Share</u>	<u>%</u>	<u>Status</u>
Manaksia Limited & it's Nominees	<u>907,897,869</u>	<u>100</u>	Foreign

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

6 **DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for the preparation of financial statements in accordance with the accounting standards issued by Financial Reporting Council of Nigeria and to ensure compliance with the provisions of the Companies and Allied Matters Act, CAP C20 LFN 2004. The Directors are of the view that the Company will continue in business hence the use of the "going concern basis" in the preparation of the financial statements.

The Directors hereby give assurances that:-

- * Adequate internal control procedures are instituted to safeguard assets, prevent and detect fraud and other irregularities.
- * Proper accounting records were maintained;
- * Applicable accounting standards were followed;
- * Suitable accounting policies were used and consistency applied.
- * The financial statement are prepared on a going concern basis unless it is inappropriate to presume that the company will continue in business.

7 **DIRECTORS**

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

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

8 **EMPLOYMENT AND EMPLOYEES**

a. ***Employees' Involvement and Training***

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

b. ***Employment of Disabled Persons***

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

c. ***Number of Employees***

The Company employed 856 persons in its workforce during the 12 months period ended 31st December, 2016.

9 **PROPERTY, PLANT AND EQUIPMENT**

The Company's property, plant and equipment carrying value stood at N9.8billion as at 31st December, 2016 compared to N6.3 billion in 2015. Capital expenditure incurred in 2016 amounted to N5.3 billion.

The Directors are of the opinion that the market vale of the Company's Property, Plant and Equipment is not less than the value shown in the financial statements as contained on page 12 of the accounts.

10 **HEALTH AND SAFETY**

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

11 **AUDITORS**

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

Dated this 10th day of April, 2017.

By Order of the Board



**MATHMER & ASSOCIATES
SECRETARIES**



OPONE JOHNSON & CO.
Chartered Accountants

Corporate Head Office:
16B, Joy Avenue, off Osolo Way, Ajao Estate, Lagos
Tel: 0810 239 6804, 0705 394 1420
E-mail: oponejohnson@yahoo.com

JOHNSON OPONE FCA - MANAGING PARTNER
PETER AGUBA BA FCA
OLUKAYODE ONITA FCA, FCTI

FELICIA OMUBO-DEDE BSC, MBA, FCA
ABDULLAHI OKE ACA

AUDITORS' REPORT

**TO THE MEMBERS OF
MINL LIMITED**

We have audited the Financial Statements of **MINL Limited** for the year ended 31st December, 2016 set out on pages 6 to 19 which have been prepared under the "NGAAP" and on the basis of significant accounting policies set out on page 10 to 11. In line with standard audit practice, we have obtained the required information and explanations considered appropriate for the purpose of forming an audit opinion.

RESPONSIBILITIES OF DIRECTORS

The Directors are responsible for the preparation of financial statements in accordance with the accounting standards issued by Financial Reporting Council of Nigeria and to ensure compliance with the provisions of the Companies and Allied Matters Act CAP C20 LFN 2004.

These responsibilities are to ensure that:

- Proper accounting records were maintained;
- Internal Control procedures instituted are adequate to safeguard the assets, prevent and detect fraud and other irregularities.
- Applicable accounting standards are followed;
- Judgments and estimates made are reasonable and prudent

AUDITORS RESPONSIBILITY

It is our responsibility to form an independent opinion, based on our audit, on those financial statements prepared by the directors and to report our opinion to members of the Company.

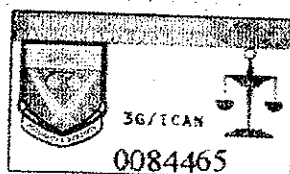
BASIS OF OPINION

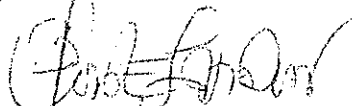
We conducted our audit in accordance with generally accepted auditing standards. An audit includes the examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements to ensure that the relevant accounting standards and the provisions of Companies and Allied Matter Act CAP C20 LFN 2004, were complied with.

OPINION

In our opinion, the Company has kept proper books and the financial statements, which are in agreement therewith, prepared in accordance with the Statements of Accounting Standards applicable in Nigeria and in the prescribed manner the information required by the Companies and Allied Matters Act CAP C20 LFN 2004, give a true and fair view of the state of the Company's affairs as at 31st December, 2016 and of its Profit, Cash flow Statement for the year ended on that date.

LAGOS – NIGERIA
10th April, 2017

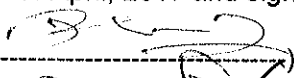
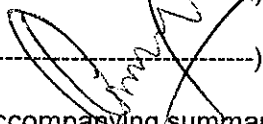



OPONE JOHNSON & CO.
(Chartered Accountants)
FRC/2013/ICAN/00000004846

MINL LIMITED**BALANCE SHEET AS AT 31ST DECEMBER, 2016**

		2016	2015
		N'000	N'000
<u>EMPLOYMENT OF FUNDS</u>			
<u>NON CURRENT ASSETS</u>			
Property, Plant and Equipment	2b	9,880,009	10,417,789
Investments	3	320,299	320,299
		<u>10,200,308</u>	<u>10,738,088</u>
<u>CURRENT ASSETS</u>			
Inventories	4	4,777,024	7,055,873
Trade Debtors and Advances	5	14,279,166	11,276,334
Sundry Debtors and Prepayment	6	810,378	2,640,371
Cash in hand and Bank Balance	7	7,508,651	1,744,782
		<u>27,375,219</u>	<u>22,717,360</u>
<u>CURRENT LIABILITIES</u>			
Trade Creditors	8	1,048,039	420,342
Other Creditors and accruals	9	494,477	483,642
Bank Loan and Overdraft	10	608,437	1,646,505
Dividend	15	492,787	-
Taxation	25	185,128	77,097
Due To Related Parties	28	809,752	48,323
		<u>3,638,620</u>	<u>2,675,909</u>
NET CURRENT ASSETS		23,736,599	20,041,451
<u>NON CURRENT LIABILITIES</u>			
Other Liabilities	11	1,218,471	50,496
Term Loan	12	275,000	375,000
		<u>1,493,471</u>	<u>425,496</u>
		<u>32,443,436</u>	<u>30,354,043</u>
<u>EQUITY</u>			
Share Capital	13	907,898	907,898
Revenue Reserve	14	31,535,538	29,446,145
		<u>32,443,436</u>	<u>30,354,043</u>

The financial statements on pages 6 to 19 were approved by the Board of Directors on the 10th of April, 2017 and signed on its behalf by:


 -----) - Shirish Mehta

 -----) - Anup Kumar Drolia

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

MINL LIMITED.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	<i>NOTES</i>	<i>2016</i> <i>N'000</i>	<i>2015</i> <i>N'000</i>
Revenue	16	25,665,804	23,346,082
Less: Cost of Sales	18	19,506,638	20,001,659
Gross Profit		<u>6,159,166</u>	<u>3,344,423</u>
Deduct: Admin. & Establishment Charges	19	<u>1,057,346</u>	<u>761,624</u>
Profit Before Interest and Other Income		5,101,820	2,582,799
Other Charges		(828,440)	(40,740)
Other Income	20	<u>69,691</u>	<u>3,551,090</u>
		4,343,071	6,093,149
Interest Charges	22	<u>126,276</u>	<u>452,452</u>
Profit Before Taxation		4,216,795	5,640,697
Taxation	25	187,715	77,097
Profit after Taxation		<u><u>4,029,080</u></u>	<u><u>5,563,600</u></u>
Earning Per Share (100kobo)		<u><u>4.44</u></u>	<u><u>6.13</u></u>

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

MINL LIMITED.**STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016 N'000	2015 N'000
<u>Operating Activities</u>		
Cash received from customers	24,472,075	23,936,260
Cash payments to suppliers	(12,712,193)	(15,275,140)
Cash payments to employees and others	(2,747,560)	(2,523,050)
Cashflow from Operating Activities (Note 29)	<u>9,012,322</u>	<u>6,138,070</u>
Taxation	(79,684)	(40,000)
Operating Cashflow Net of Tax	<u><u>8,932,638</u></u>	<u><u>6,098,070</u></u>
<u>Investing Activities</u>		
Acquisition of Property, Plant and Equipment	(1,218,964)	(2,280,388)
Proceed from sale of Property, Plant and Equipment	688	777
Investment In Shares	-	(280,000)
Intercompany	761,429	(1,798,385)
Dividend Received	36	3,550,000
Interest Received	<u>2,161</u>	<u>409</u>
Net Cash provided by Investing Activities	<u><u>(454,650)</u></u>	<u><u>(807,587)</u></u>
<u>Financing Activities</u>		
Interest Paid on Loan facilities	(126,276)	(452,452)
Dividend Paid	(278,925)	(1,461,716)
Loan Repayment	<u>(100,000)</u>	<u>(100,000)</u>
Net Cash provided by Financing Activities	<u><u>(505,201)</u></u>	<u><u>(2,014,168)</u></u>
Net Current Year Movement	7,972,787	3,276,315
Cash and Cash Equivalent at Start of Year	<u>(972,573)</u>	<u>(4,248,888)</u>
Cash and Cash Equivalent at Year End (Note 30)	<u><u>7,000,214</u></u>	<u><u>(972,573)</u></u>

MINL LIMITED.

VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016 N'000	2015 N'000
Revenue	25,665,804	23,346,082
Bought-In-Material & Services		
Imported	5,761,875	13,118,293
Local	<u>13,101,890</u>	<u>5,566,593</u>
Other income	<u>6,802,039</u> <u>69,691</u>	<u>4,661,196</u> <u>3,551,090</u>
Value Added	<u><u>6,871,730</u></u>	<u><u>8,212,286</u></u>

Distribution of Value Added

To pay employees and directors:

Salaries,wages,pensions and related costs	11.26	773,514	7.83	643,208
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To pay government:

Taxation	2.73	187,715	0.94	77,097
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To pay providers of capital:

Loan -Interest charges	1.84	126,276	5.51	452,452
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Retained in the Business

Depreciation	25.54	1,755,145	17.97	1,475,929
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Retained for future expansion	<u>58.63</u>	<u>4,029,080</u>	<u>67.75</u>	<u>5,563,600</u>
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	<u><u>100.00</u></u>	<u><u>6,871,730</u></u>	<u><u>100.00</u></u>	<u><u>8,212,286</u></u>
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"Value Added represents the additional wealth the Company has been able to create by its own and its employees efforts. This statement shows the allocation of that wealth between employees, capital providers and that retained for future creation of more wealth".

MINL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

ACCOUNTING POLICIES

a. Basis of Preparation of Financial Statements

The financial statements have been prepared under the Historical cost Convention. Historical cost is only modified where revaluation of Property, Plant and Equipment takes place.

b. Revenue Recognition

Revenue are recognized for goods and services invoiced, products delivered to the customer and accepted for which receivables is reasonably assured. Turnover is shown net of VAT and trade discount.

c. Nature of Business

The Company is engaged in the Manufacturing and Marketing of Crown Cork, Ropp Caps, Aluminium Embossed Coils, Bottles Sleeves, Hot or Cold Rolled Steel Sheets, Galvanized Corrugated Roofing Sheets, Aluminium Roofing Sheets, Non Furous alloys Ingots etc.

d. Property, Plant and Equipment

Property, Plant and Equipment are recognized and accounted for at cost while end of the year carrying amount are shown after adjustment for accumulated depreciation and disposal.

e. Depreciation of Property, Plant and Equipment

Depreciation charge on Property, Plant and Equipment is calculated in the Accounts using the straight line method over estimated useful lives at the following rates:

Land & Development Cost	-	Nil
Building	-	2.50%
Leasehold Improvement	-	10%
Plant and Machinery	-	10%
Furniture and Equipment	-	10%
Motor Vehicles	-	20%

Inventories and Work- in- Progress

Inventories are measured at the lower of cost or estimated net realisable value. Cost include cost of purchases and other associated charges in bringing the stocks to its location while work-in-progress is inclusive of the appropriate conversion cost.

Account Receivables

Account Receivables are stated at their book value subject to the application of specific provision where necessary for debts considered bad and doubtful of recovery after due approval by the Board of Directors.

h. Foreign Currencies Transaction

Transactions in foreign currencies are recorded at the official rates of exchange in force when such transactions are completed assets and liabilities denominated in foreign currencies are translated at applicable official rates of exchange in force at the end of the accounting period. The resulting exchange gains or losses are included in profit and loss account.

i. **Pension Fund**

The company's pension scheme is contributory and in accordance with the pension Reform Act 2004. Employees contribute 8% of their pensionable emoluments comprising of their basic salary, housing and transport allowances. The company's contribution charged to the Profit and Loss Accounts is 10% of the total pensionable emoluments.

j. **Provisions**

In line with SAS 23 the company is required to make provisions where legal or constructive obligation arises that can be reliably estimated and it is probable that a transfer of economic benefits will be required in settlement of the obligation.

k. **Impairment**

The carrying value of the Company's Assets is reviewed at each balance sheet date to ascertain if there is any indication of impairment. If the result of the review indicates any impairment the asset's recoverable amount is estimated and compared with carrying value of the assets. Where the result shows a fall in value the difference will be recognized as impairment loss and charged to profit and loss account.

l. **Cash and cash equivalent**

Cash and cash equivalent represents cash in hand, cash balances with banks, bank overdraft and other short-term funds held with banks with the exclusion of Term Loans.

m. **Taxation**

Current Taxation

The current year Income Tax is provided in the accounts at the prevailing rate of 30 percent of the company's Taxable profit after adjustment for capital allowances claimed while education tax is 2 percent of the adjusted profit.

Deferred Taxation

Deferred Taxation is provided in the account using the liability method at the current rate of income tax on all timing differences between the treatment of certain items for accounting purpose and their treatment for taxation in accordance with SAS 19.

n. **Dividend**

Dividends payable to Company's Shareholders shall be recognized as a liability in the period in which they are declared by shareholders at the Annual General Meeting. Interim dividend where declared shall be accounted for subject to adoption at the Annual General Meeting.

o. **Earnings Per Share**

Earnings per share is calculated using the number of ordinary shares on issue as at year end.

p. **Loans**

Loans are classified as short term if they are to be repaid within one year. All liabilities repayable over more than one year are classified as term loans.

q. **Borrowing Cost**

Interest charges other than interest related capital project to specific in line with IAS 23 are charged to profit and loss accounts while, interest on specific capital project are capitalized where applicable.

r. **Investments**

Investments are stated at cost less provision for any diminution in value of such investment. Quoted investments are stated at the lower of cost or market value.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016**

2a <u>PROPERTY, PLANT AND EQUIPMENT</u>	<i>Land & Building</i> N'000	<i>Plant & Machinery</i> N'000	<i>Motor Vehicles</i> N'000	<i>Furniture & Equipment</i> N'000	<i>Total</i> N'000
<u>Cost</u>					
As at 1/1/16	763,850	16,178,565	203,553	171,396	17,317,364
Additions	1,413,995	3,862,723	14,603	4,892	5,296,213
Disposals	-	(273,287)	(7,095)	-	(280,382)
	<u>2,177,845</u>	<u>19,768,001</u>	<u>211,061</u>	<u>176,288</u>	<u>22,333,195</u>
<u>Depreciation</u>					
As at 1/1/16	132,695	10,573,440	182,794	87,895	10,976,824
Current period	47,295	1,683,698	12,620	11,532	1,755,145
Disposals	-	(273,088)	(5,695)	-	(278,783)
	<u>179,990</u>	<u>11,984,050</u>	<u>189,719</u>	<u>99,427</u>	<u>12,453,186</u>
N.B.V. 31/12/16	<u>1,997,855</u>	<u>7,783,951</u>	<u>21,342</u>	<u>76,861</u>	<u>9,880,009</u>
N.B.V. 31/12/15	<u>631,155</u>	<u>5,605,125</u>	<u>20,759</u>	<u>83,501</u>	<u>6,340,540</u>

2b <u>PROPERTY, PLANT & EQUIPMENT SUMMARY</u>	<u>2016</u> N'000	<u>2015</u> N'000
Asset In Use - Note 2a	9,880,009	6,340,540
Capital Work-In-Progress - Plant & Machinery under installation	-	2,676,006
Capital Work-In-Progress - Land & Building under construction	-	1,401,243
	<u>9,880,009</u>	<u>10,417,789</u>

3 INVESTMENT

Jebba Paper Mills Limited 300,000,000 Ordinary Shares of N1.00 each	300,000	300,000
Sumo Steels Limited 12,500,000 Ordinary Shares of N1.00 each	12,500	12,500
<u>Others</u> Investment in shares - Quoted Companies	<u>7,799</u>	<u>7,799</u>
	<u>320,299</u>	<u>320,299</u>

MINL LIMITED**NOTES TO THE ACCOUNTS**
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016	2015
	N'000	N'000
4 <u>INVENTORIES</u>		
Finished Goods	982,645	1,041,430
Raw Materials	3,507,247	5,345,614
Work in Progress	261,011	486,209
Consumables	26,121	182,620
	<u>4,777,024</u>	<u>7,055,873</u>
5 <u>TRADE DEBTORS AND ADVANCES</u>		
Trade Debtors (Note 5.1)	1,548,028	1,114,329
Trade Related Export Grant Receivable	2,027,064	2,027,064
FRN Negotiable Instrument	1,170,850	1,170,850
Advance to Suppliers	9,533,224	10,162,005
	<u>14,279,166</u>	<u>14,474,248</u>
<p>The export grant scheme as been placed on suspension by the Federal Government pending when a new policy or the suspension is lifted, hence, the negotiable instrument already received and the export grant receivable can not be used in settlement of Custom duties. This has necessitated the reclassification of the negotiable instrument as Trade debtors and comparative figure been classified accordingly.</p>		
5.1 Analysis of Trade debtors		
Trade receivables	1,767,914	1,325,684
Provision for doubtful debts	(219,886)	(211,355)
	<u>1,548,028</u>	<u>1,114,329</u>
6 <u>SUNDRY DEBTORS AND PREPAYMENT</u>		
Prepayment	509,935	361,990
Staff Advances	48,157	49,321
Other Debtors	252,286	201,996
	<u>810,378</u>	<u>613,307</u>
7 <u>CASH AND BANK BALANCES</u>		
Bank Current Accounts	7,401,132	532,861
Cash In Hand	107,519	41,071
	<u>7,508,651</u>	<u>573,932</u>
8 <u>TRADE CREDITORS</u>		
Due to Overseas Creditors	865,434	300,472
Local Creditors	182,605	119,870
	<u>1,048,039</u>	<u>420,342</u>

MINL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016	2015
	N'000	N'000
9 <u>OTHER CREDITORS AND ACCRUALS</u>		
Advance from Customers	101,169	97,305
Other Creditors	393,308	386,337
	<u>494,477</u>	<u>483,642</u>
10 <u>BANK LOAN AND OVERDRAFT</u>		
Short Term Loan	508,437	1,533,749
Bank Overdraft	-	12,756
Short Term Loan and Overdraft	<u>508,437</u>	<u>1,546,505</u>
Term Loan payable within 12 months (Note 12)	100,000	100,000
Amount Due within 12 months	<u>608,437</u>	<u>1,646,505</u>
11 <u>OTHER LIABILITIES</u>		
Deferred Taxation	<u>1,218,472</u>	<u>50,496</u>
12 <u>TERM LOAN</u>		
Zenith Bank Plc/BOI/CBN Intervention Loan	<u>375,000</u>	<u>475,000</u>
<u>Analysed into</u>		
Due within one year	100,000	100,000
Due after more than one year	<u>275,000</u>	<u>375,000</u>
	<u>375,000</u>	<u>475,000</u>

Security and Interest Rate on Term loan

The bank loan of Zenith Bank Plc/CBN/BOI Industrial Loan Intervention Fund were secured by duly executed trust deed/debenture deed on fixed and floating assets of the Company. The interest rate is 7%.

MINL LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST DECEMBER, 2016**

	2016	2015
	N'000	N'000
13 <u>SHARE CAPITAL</u>		
a. <u>Authorised Capital</u>		
1,000,000,000 Ordinary Shares of N1.00 each	<u>1,000,000</u>	<u>1,000,000</u>
b. <u>Issued Capital</u>		
907,897,869 Ordinary Shares of N1.00 each	<u>907,898</u>	<u>907,898</u>
14 <u>REVENUE RESERVES</u>		
Current Year Profit After Tax	4,029,080	5,563,600
Retained Earnings Brought Forward	<u>29,446,146</u>	<u>24,926,628</u>
Cummulative Revenue Reserve Before Dividend	33,475,226	30,490,228
Deferred Tax (see note 26)	<u>1,167,975</u>	-
Retained Earnings before Dividend	32,307,251	30,490,228
Dividend Declared	<u>771,713</u>	<u>1,044,083</u>
Year End Retained Earnings	<u>31,535,538</u>	<u>29,446,145</u>
<u>Analysis of Retained Earnings</u>		
Pioneer Profit - Section 17 Account	19,277,290	20,049,003
Non Pioneer Profit	<u>12,258,248</u>	<u>9,397,142</u>
	<u>31,535,538</u>	<u>29,446,145</u>
15 <u>DIVIDEND ACCOUNT</u>		
15.1 Balance Brought Forward	-	417,633
Dividend Declared (Note 15.2)	<u>771,713</u>	<u>1,044,083</u>
	771,713	1,461,716
Dividend Paid	<u>278,925</u>	<u>1,461,716</u>
Dividend Payable	<u>492,788</u>	-
15.2 Dividend declared 2015 AGM	771,713	1,361,847
Interim Dividend - 2014 (Subject to 2015 AGM)	-	(453,945)
Interim Dividend - 2015 (Subject to 2016 AGM)	-	136,185
	<u>771,713</u>	<u>1,044,087</u>

The Directors are pleased to recommend to members for adoption dividend of N2,017,550,820 as final dividend.

The Dividend is appropriated from Section 17 Account under the Industrial Development (Income Tax Relief) Act.

MINL LIMITED**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016**

	2016	2015
	N'000	N'000
16 REVENUE		
Export Sales and Incentives	1,004,506	1,771,113
Domestic Sales	24,661,298	21,574,969
	<u>25,665,804</u>	<u>23,346,082</u>
Analysis as per Division		
Export - Alloy Plant & Others	1,004,506	1,771,113
Local Sales - Pioneer	-	4,818,088
Local Sales - Post Pioneer	16,002,029	13,397,395
Local Sales - Non-Pioneer	8,659,269	3,359,486
	<u>25,665,804</u>	<u>23,346,082</u>
17 PRODUCTION COST		
Raw Material at start	5,345,614	9,296,095
Purchases	13,968,668	12,459,906
	<u>19,314,282</u>	<u>21,756,001</u>
Less: Closing Raw Material	3,507,247	5,345,614
Raw Material consumed	15,807,035	16,410,387
Conversion cost		
Production Salaries and Wages	541,653	535,905
Production Overheads	1,154,245	1,361,872
Depreciation - Plant and Machinery	1,683,697	1,438,377
Factory Rent	34,200	33,931
	<u>19,220,830</u>	<u>19,780,472</u>
Work in progress at Start	486,209	637,319
Work in progress at Close	261,011	486,209
Production Cost	<u>19,446,028</u>	<u>19,931,582</u>
18 COST OF SALES		
Finished Goods at Start	1,041,430	1,104,731
Production Cost	19,446,028	19,931,582
	<u>20,487,458</u>	<u>21,036,313</u>
Finished Goods at Close	982,645	1,041,430
Export Freights and Handling Charges	1,825	6,776
	<u>19,506,638</u>	<u>20,001,659</u>

MINL LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016 N'000	2015 N'000
19 <u>ADMIN. & ESTABLISHMENT CHARGES</u>		
Directors Fees	-	125
Staff Cost	231,861	107,303
Establishment Charges	575,437	469,654
Advert and Selling Expenses	14,239	25,236
Bad Debt Written off	14,467	10,132
Audit Fees	9,450	9,450
Bank Charges	140,446	102,171
Depreciation	71,446	37,553
	<u>1,057,346</u>	<u>761,624</u>
20 <u>OTHER INCOME AND CHARGES</u>		
a Other Income		
Profit on Sale of P.P.E	-	681
Misc. Income	67,494	-
Interest Earned	2,161	409
Dividend Income - Others	36	-
Dividend Income - Pioneer Company	-	3,550,000
	<u>69,691</u>	<u>3,551,090</u>
Other Charges		
Exchange Loss	827,529	38,275
Loss on sale of P.P.E	911	2,465
	<u>828,440</u>	<u>40,740</u>
21 <u>DISPOSAL ACCOUNT</u>		
Cost	280,382	28,597
Less: Depreciation	(278,783)	(26,036)
Book Value Before Disposal	1,599	2,561
Sales Proceeds	688	777
Loss on PPE	(911)	(1,784)
22 <u>INTEREST ON BANK FACILITIES</u>		
Interest Charges	<u>126,276</u>	<u>452,452</u>
23 <u>OPERATING PROFIT BEFORE TAXATION</u>		
Export Division Profit	37,142	255,208
Pioneer Profit	-	482,102
Post Pioneer Profit	1,872,038	1,483,439
Non-Pioneer Division Profit	2,307,615	(130,051)
Profit from Operations	4,216,795	2,090,698
Pioneer Dividend from subsidiary	-	3,550,000
	<u>4,216,795</u>	<u>5,640,698</u>
24 <u>OPERATING PROFIT AFTER TAXATION</u>		
Pioneer/Exempt Profit	37,142	737,310
Pioneer Dividend Income	-	3,550,000
Non Pioneer Profit	3,991,938	0
	<u>4,029,080</u>	<u>4,287,310</u>

MINL LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016	2015
	N'000	N'000
25 <u>TAXATION</u>		
Income tax	69,446	24,181
Education tax	115,682	52,916
Current Year tax- Operation	<u>185,128</u>	<u>77,097</u>
Additional Tax -FIRS Desk Examination	2,587	-
Current year tax	<u>187,715</u>	<u>77,097</u>
Deferred taxation - Current Operations	-	-
Charged to Profit and Loss Account	<u><u>187,715</u></u>	<u><u>77,097</u></u>

26 DEFERRED TAXATION

a Amount shown in the Financial Statements

Brought Forward	50,496	50,496
Current year liability recognised in Retained Earnings	<u>1,167,975</u>	-
Amount shown in the Financial Statement as liability	<u><u>1,218,471</u></u>	<u><u>50,496</u></u>

The Board of Directors took a decision that the deferred tax computed for the first time after the Pioneer Period be charged to Retained Earnings on the grounds that no provision for deferred tax had been made hitherto. The amount charged to Retained Earnings in 2016 is N1,167,975,000. It should be noted that N1,023,083,000 relates to current year and N144,892,000 relates to Prior years as a result of the major timing difference between Depreciation and Capital allowances claimed for tax purposes.

27 EMPLOYEES AND STAFF COST

a Number

The data below shows the number of employee's in the Company's employment during the year

Management staff	41	45
Senior Staff	96	97
Junior Staff	719	724
	<u>856</u>	<u>866</u>

b Staff Cost

Salaries, wages and benefits	<u><u>773,514</u></u>	<u><u>643,208</u></u>
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MINL LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016	2015
	N'000	N'000
28 <u>RELATED PARTY BALANCES</u>		
Due to Related Parties		
Jebba Paper Mills Ltd	809,752	48,323
	<u>809,752</u>	<u>48,323</u>

The Company conducted transactions with the underlisted Companies that fall within the definition of a Related Party.

WHOLLY OWNED SUBSIDIARY

Jebba Paper Mill Limited is an wholly owned subsidiary of MINL Limited.

29 RECONCILIATION OF NET INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES

Operating Profit	4,216,795	5,640,697
Depreciation	1,755,145	1,475,929
Loss on sale of PPE	911	2,465
(Profit) on sale of PPE	-	(681)
Dividend Income	(36)	(3,550,000)
Interest Received	(2,161)	(409)
Interest Paid	126,276	452,452
Inventories	2,278,849	4,308,736
Debtors	(1,989)	(491,306)
Creditors	638,532	(1,699,813)
Net Cash provided by Operating Activities	<u>9,012,322</u>	<u>6,138,070</u>

30 RECONCILIATION OF CASH
AND BANK BALANCES

Cash in Hand and at Bank	7,508,651	573,932
Short Term Facilities and Bank Overdraft	(508,437)	(1,546,505)
Cash and Cash Equivalent at Year End	<u>7,000,214</u>	<u>(972,573)</u>

31 COMPARATIVE FIGURES

Certain comparative figures have been restated in line with current year's presentation to make for more meaningful comparison.

MINL LIMITED**FIVE YEARS FINANCIAL SUMMARY**

	2016	2015	2014	2013	2012
	N'000	N'000	N'000	N'000	N'000
Revenue	25,665,804	23,346,082	25,991,491	32,713,111	33,692,036
Profit Before Taxation	4,216,795	5,640,697	3,563,276	4,507,432	4,219,324
Taxation	187,715	77,097	125,215	51,363	213,298
Profit After Taxation	4,029,080	5,563,600	3,438,061	4,456,069	4,006,026
Dividend	(771,713)	(1,044,083)	(453,945)	(635,529)	(1,361,847)
Retained Earnings Current Year	3,257,367	4,519,517	2,984,116	3,820,540	2,644,179
Property, Plant & Equipment	9,880,009	10,417,789	9,615,891	9,915,718	8,705,311
Non- Current Assets	320,299	320,299	40,299	40,299	27,799
Net Current Assets	23,736,599	20,041,451	16,703,832	13,494,889	11,047,254
Total Assets	33,936,907	30,779,539	26,360,022	23,450,906	19,780,364
Other Liabilities	(1,218,471)	(50,496)	(50,496)	(50,496)	(50,496)
Term Loan	(275,000)	(375,000)	(475,000)	(550,000)	(700,000)
Net Assets	32,443,436	30,354,043	25,834,526	22,850,410	19,029,868
Share Capital	907,898	907,898	907,898	907,898	907,898
Revenue Reserve	31,535,538	29,446,145	24,926,628	21,942,512	18,121,972
Shareholders Funds	32,443,436	30,354,043	25,834,526	22,850,410	19,029,870
Earnings Per Share (N)	4.44	6.13	3.79	4.91	4.41
Dividend Per Share (N)	1.00	1.00	1.00	1.00	1.00
Net Assets Per Share (N)	35.73	33.43	31.74	25.17	20.96

MINL LIMITED

FOR MANAGEMENT USE ONLY

MINL LIMITED**DETAILED MANUFACTURING AND COST OF SALES ACCOUNT**

	2016 N'000	2015 N'000
Raw Material at Start	5,345,614	9,296,095
Purchases	<u>13,968,668</u>	<u>12,459,906</u>
	19,314,282	21,756,001
Raw Material at Close	<u>3,507,247</u>	<u>5,345,614</u>
Raw Materials Consumed	15,807,035	16,410,387
Factory Salaries and Wages	541,653	535,905
Factory Overhead	1,154,245	1,361,872
Machinery - Depreciation	1,683,697	1,438,377
Factory Rent	<u>34,200</u>	<u>33,931</u>
	19,220,830	19,780,472
Work-In-Progress at start	<u>486,209</u>	<u>637,319</u>
	19,707,039	20,417,791
Work-In- Progress at Close	<u>261,011</u>	<u>486,209</u>
Manufacturing Cost	19,446,028	19,931,582
Finished Goods at Start	1,041,430	1,104,731
Exports Freights & Charges	<u>1,825</u>	<u>6,776</u>
	20,489,283	21,043,089
Finished Goods at Close	<u>982,645</u>	<u>1,041,430</u>
Cost of Sales	<u><u>19,506,638</u></u>	<u><u>20,001,659</u></u>

MINL LIMITED
DETAILED PROFIT AND LOSS ACCOUNT

	2016 N'000	2015 N'000
Revenue	25,665,804	23,346,082
Cost of Sales	<u>19,506,638</u>	<u>20,001,659</u>
Gross Profit	<u>6,159,166</u>	<u>3,344,423</u>
 <u>ADMIN. & ESTAB.CHARGES</u>		
Directors Fees	-	125
Staff Salaries	231,861	107,303
Rent and Rates	68,483	62,548
Printing and Stationery	12,525	9,300
Telephone and Postages	18,419	19,143
Transport and Travelling	49,904	40,892
Advert. & Selling Expenses	14,239	25,236
Vehicle Running Expenses	44,510	39,684
Repairs and Maintenance	4,760	3,473
Office and Gen. Expenses	62,663	45,189
Electricity	1,578	2,089
Insurance and Security	124,483	119,662
Medical and Staff Welfare	151,381	107,389
Bus Prom & Public Relations	12,042	14,232
Professional Fees	24,689	6,053
Audit Fees	9,450	9,450
Bank Charges	140,446	102,171
Bad Debt Written Off	14,467	10,132
Depreciation	<u>71,446</u>	<u>37,553</u>
	1,057,346	761,624
Interest on Loan Facilities	<u>126,276</u>	<u>452,452</u>
	<u>1,183,622</u>	<u>1,214,076</u>
Profit on Ordinary Activities	4,975,544	2,130,347
Other Income	69,691	3,551,090
Other Charges	<u>(828,440)</u>	<u>(40,740)</u>
Profit Before Taxation	<u>4,216,795</u>	<u>5,640,697</u>