

**MINL LIMITED**

**AUDITED ANNUAL REPORT FY 2013**

(Prepared in accordance with General Circular No.2/2011 dated 8<sup>th</sup> February, 2011 (Clause VII) issued by Government of India, Ministry of Corporate Affairs, under Section 212 (8) of the Companies Act, 1956)

**MINL LIMITED**

**CORPORATE INFORMATION**

**1 BOARD OF DIRECTORS**

Mr. Binod Kumar Agrawal  
Mr. Ashok Guha  
Mr. Shirish Mehta  
Mr. Mathew Ayotunde Shobiye

**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**

The Directors submit their Annual Report together with the audited Financial Statement for the year ended 31st December, 2013.

### **1 OPERATING RESULT**

	N	Rs
Profit Before Taxation	4,507,432	1,622,676
Taxation	51,363	18,491
Profit After Taxation	<u>4,456,069</u>	<u>1,604,185</u>

### **2 DIVIDEND**

The Directors are pleased to recommend to members for adoption interim dividend of N1.50 per share, amounting to N1,361,846,804, earlier declared and payable to members as final dividend at 2014 Annual General Meeting. The dividend is subject to withholding tax.

### **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, Galvanized Corrugated Roofing Shets, Aluminium Roofing Sheets and the Non Ferrous Alloy Ingot for export market only.

### **5 SHAREHOLDINGS**

The Company's shares are held by the underlisted Shareholders as at 31st December, 2013.

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

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

## **6 DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for the preparation of financial statements in accordance with the applicable accounting standards in Nigeria and to ensure compliance with the provisions of the Companies and allied Matters Acts, 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 are maintained;
- \* applicable accounting standard are followed;
- \* Suitable accounting policies are used and consistency applied;
- \* the financial statement are prepared on a going concern basis unless it is inappropriate to presume that the Comp-any will continue in business.

## **7 DIRECTORS**

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

Mr. Binod Kumar Agrawal	(Indian)
Mr. Shirish Mehta	(Indian)
Mr. Mathew Ayotunde Shobiye	(Nigerian)

## **8 EMPLOYEMENT 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 decision affecting them.
- b. **Employment of Disabled Persons**  
It is the policy of the Company that there would be no discrimination in considering application for employment including those from disabled persons.
- c. **Number of Employees**  
The Company employed 619 persons in its workforce during the 12 months period ended 31st December, 2013.

**9 FIXED ASSETS**

The Company's Fixed Assets carrying value stood at Rs million as at 31st December, 2013 compared to Rs million in 2012. Capital expenditure incurred in 2013 amounted Rs million.

The Directors are of the opinion that the market value of the Company's fixed assets 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**

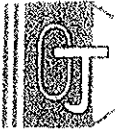
In accordance with Section 357(2) of the Companies and Allied Matters Act (CAMA) CAP C 20 LFN 2004 Messrs **Opone Johnson & Co.** (Chartered Accountants), have indicated their willingness to continue in office.

Dated this 13th day of May, 2014.

**By Order of the Board**

*Mathmer & Associates*

**MATHMER & ASSOCIATES  
SECRETARIES**



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

Corporate Head Office:  
16B, Joy Avenue, off Osolo Way, Ajao Estate, Lagos  
Tel: 01-736 2609, 0803 301 7060  
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, 2013 set out on pages 6 to 19 which have been prepared under NGAAP and on the basis of significant accounting policies set out on pages 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 in 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
- Sound ethical business practices and good corporate governance prevails in the running of the Company's affairs.

**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.

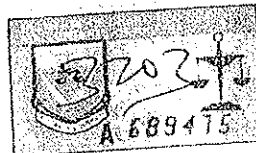
**BASIS OF OPINION**

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 31<sup>st</sup> December, 2013 and of its Profit, Statement of Cash flows for the year ended on that date.

LAGOS – NIGERIA  
13<sup>th</sup> May, 2014



OPONE JOHNSON & CO.  
(Chartered Accountants)

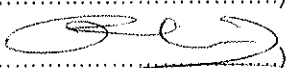
Chief J. Opone FCA  
FRC/2013/ICAN/00000004846

MINL LIMITED

BALANCE SHEET

<b><u>EMPLOYMENT OF FUNDS</u></b>	NOTES	31st December	
		2013 N	2013 Rs
PROPERTY, PLANT & EQUIPMENT	2b	9,915,718	3,569,658
INVESTMENT	3	40,299	14,508
<b>CURRENT ASSETS</b>			
Inventories	4	9,161,182	3,298,026
Trade debtors and Advances	5	4,612,570	1,660,525
Sundry Debtors and prepayment	6	1,892,384	681,258
Due from Related Parties	27	3,199,910	1,151,968
Cash in hand and Bank balances	7	2,295,568	826,404
		<u>21,161,614</u>	<u>7,618,181</u>
<b>CREDITORS: Amounts falling due within one year</b>			
Trade creditors	8	3,685,586	1,326,811
Other Creditors and accruals	9	202,357	72,849
Bank loan and overdrafts	10	2,003,327	721,198
Dividend	15	90,790	32,684
Taxation	24	51,363	18,491
Due to Related Parties	27	1,633,302	587,989
		<u>7,666,725</u>	<u>2,760,021</u>
<b>NET CURRENT ASSETS</b>		13,494,889	4,858,160
<b>NON CURRENT LIABILITIES</b>			
Other Liabilities	11	50,496	18,179
Term Loan	12	550,000	198,000
<b>NET ASSETS</b>		<u>22,850,410</u>	<u>8,226,148</u>
<b><u>FUNDS EMPLOYED</u></b>			
Share Capital Paid-UP	13	907,898	326,843
Revenue Reserve	14	21,942,512	7,899,304
		<u>22,850,410</u>	<u>8,226,148</u>

The financial statements on pages 6 to 19 were approved by the Board of Directors on 13th of April, 2014 and Signed on its behalf by:

.....) Sd/-  
*B. K. Agrawal*  
 - Binod Kumar Agrawal  
 .....) Sd/-  
  
 - Shirish Mehta

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

# MINL LIMITED

## PROFIT AND LOSS ACCOUNT

		31 st December	
	NOTES	2013 N	2013 Rs
Turnover	16	32,713,111	11,776,720
Cost of Sales	18	27,062,414	9,742,469
Gross Profit		<u>5,650,697</u>	<u>2,034,251</u>
Deduct: Admin. & fin. Charges	19	942,681	339,365
Profit Before Interest & other Income		4,708,016	1,694,886
Other Income	20	9,100	3,276
		<u>4,717,116</u>	<u>1,698,162</u>
Interest Charges	22	209,684	75,486
Profit Before Taxation		4,507,432	1,622,676
Taxation	24	51,363	18,491
Profit After Taxation		<u>4,456,069</u>	<u>1,604,185</u>
Earning Per Share (100Kobo)		<u>4.91</u>	<u>1.77</u>

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



# MINL LIMITED

## STATEMENT OF CASH FLOWS

31st December

OPERATING ACTIVITIES	2013 N	2013 Rs
Cash received from customers	32,771,294	11,797,666
Cash payments to suppliers	(20,938,573)	(7,537,886)
Cash Payments to employees and others	<u>(2,143,040)</u>	<u>(771,494)</u>
Cash flow from Operating Activities (note 28)	9,689,681	3,488,285
Taxation	(49,387)	(17,779)
<b>Operating Cashflow Net of Tax</b>	<u><u>9,640,294</u></u>	<u><u>3,470,506</u></u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of Property, Plant and Equipment	(2,760,326)	(993,717)
Proceed from sale of Property, Plant and Equipment	20,266	7,296
Investment in Shares	(12,500)	(4,500)
Intercompany	(413,307)	(148,791)
<b>Net Cash provided by Investing Activities</b>	<u><u>(3,165,867)</u></u>	<u><u>(1,139,712)</u></u>
<b>FINANCING ACTIVITIES</b>		
Interest Paid on Loan facilities	(209,684)	(75,486)
Dividend Paid	(1,543,427)	(555,634)
Loan Repayment	(656,364)	(236,291)
<b>Net Cash provided by Financing Activities</b>	<u><u>(2,409,475)</u></u>	<u><u>(867,411)</u></u>
Net Current Year Movement	4,064,952	1,463,383
Cash and Cash Equivalent at Start of Year	(3,489,861)	(1,256,350)
<b>Cash and Cash Equivalent at Year End (Note 29)</b>	<u><u>575,091</u></u>	<u><u>207,033</u></u>

## MINL LIMITED

### CONSOLIDATED VALUE ADDED STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2013

	31st December		
	2013 N	2013 Rs	
Revenue	32,713,111	11,776,720	
Bought-In-Materials & Services			
Imported	17,390,997	6,260,759	
Local	8,650,941	3,114,339	
Other Income	6,671,173 9,100	2,401,622 3,276	
Value Added	<u>6,680,273</u>	<u>2,404,898</u>	
<b>Distribution of Value Added</b>	%	N	Rs
<b>To Pay employees and directors:</b>			
Salaries, wages, pensions and related costs	7.02	468,734.00	168,744
<b>To pay government:</b>			
Taxation	0.77	51,363	18,491
<b>To pay providers of capital:</b>			
Loan - Interest charges	3.14	209,684.00	75,486
<b>Retained in the Business</b>			
Depreciation	22.37	1,494,423	537,992
Retained for future expansion	66.70	4,456,069	1,604,185
	<u>100.00</u>	<u>6,680,273</u>	<u>2,404,898</u>

"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, government and that retained in the business for future creation of more wealth".

# **MINL LIMITED**

## **NOTES TO THE ACCOUNTS**

### **1 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 fixed asset takes place.

b. **Revenue Recognition**

Sales are recognized for goods and services invoiced, products delivered to the customer and accepted for which the 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 Corks, Ropp Caps, aluminium Embossed Coils, Bottles Sleeves, Hot or Cold Rolled Steel Sheets, Galvanized Corrugated Roofing Sheets, Aluminium Roofing Sheets, Non Ferrous Alloy Ingots etc.

d. **Fixed Assets**

Fixed Assets are recognized and accounted for at cost while end of the year carrying amount are shown after adjustment for accumulated depreciation, impairment and disposal

e. **Depreciation of Fixed Assets**

Depreciation is calculated in the accounts using the straight-line method so as to write-off the cost of Fixed Assets over their estimated useful lives at the following rates:-

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

f. **Stock and Work in Progress**

Stocks are valued at the lower of cost or estimated net realizable value. Costs 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.

g. **Debtors**

Debtors are stated at their book value subject to the application of specific provision for debts considered doubtful of recovery where the need arises.

h. **Foreign Currency Transaction**

Transactions in foreign currency are recorded at the official rates of exchange in force when such transactions are completed. Assets and Liabilities denominated in foreign currency 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.

- i. **Pension Scheme**  
The Company's pension scheme is contributory and in accordance with the Pension Reform Act of 2004. Employees contribute 7.5% of their pensionable emoluments comprising of their basic salary, housing and transport allowances. The Company likewise contributes 7.5% of the total employee's pensionable emoluments to arrive at the minimum 15 percent contribution specified by the Act.
- j. **Provisions**  
In line with SAS 23 issued by the "NASB" the Company is required to make provisions where legal or constructive obligation arises that can be reliably estimated and its probable that a transfer of economic benefits will be required in the 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 show 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 overdrafts 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 adjusted profit after adjustment for capital allowances claims; 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 the 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**  
Earning 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. short term facility.
- q. **Borrowing Cost**  
Interest charges other than interest related to specific capital project in line with IAS 23 are charged to profit and loss accounts while, interest on specific capital project are capitalized when applicable.
- r. **Investment**  
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.



# MINL LIMITED

## NOTES TO THE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2013

	2013 N	2013 Rs
<b>4 <u>STOCK</u></b>		
Finished Goods	1,091,577	392,968
Raw Materials	7,778,869	2,800,393
Work in Progress	53,212	19,156
Consumables	237,524	85,509
	<u>9,161,182</u>	<u>3,212,517</u>
<b>5 <u>TRADE DEBTORS AND ADVANCES</u></b>		
Trade debtors	2,149,495	773,818
Advance to Suppliers	2,463,075	886,707
	<u>4,612,570</u>	<u>1,660,525</u>
<b>6 <u>SUNDRY DEBTORS AND PREPAYMENTS</u></b>		
Prepayments	137,176	49,383
Staff Advances	44,280	15,941
Other Debtors	1,710,928	615,934
	<u>1,892,384</u>	<u>681,258</u>
<b>7 <u>CASH AND BANK BALANCES</u></b>		
Bank Current Accounts	978,920	352,411
FRN Negotiable Instrument	1,289,850	464,346
Cash in Hand	26,798	9,647
	<u>2,295,568</u>	<u>826,404</u>
<b>8 <u>TRADE CREDITORS</u></b>		
Due to Overseas Creditors	800,412	288,148
Local Creditors	2,885,174	1,038,663
	<u>3,685,586</u>	<u>1,326,811</u>

# MINL LIMITED

## NOTES TO THE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2013

	2013 N	2013 Rs
<b>9 OTHER CREDITORS AND ACCRUALS</b>		
Advance from Customers	33,649	12,114
Other Creditors	168,708	60,735
	<u>202,357</u>	<u>72,849</u>
<b>10 BANK LOAN AND OVERDRAFT</b>		
Short term loan	1,720,477	619,372
Bank Overdraft		
Short Term and Overdraft Facilities	<u>1,720,477</u>	<u>619,372</u>
Term loan payable within 12 months (note 12)	282,850	101,826
Amount Due within 12 months	<u>2,003,327</u>	<u>721,198</u>
<b>11 OTHER LIABILITIES</b>		
Deferred Taxation	50,496	18,179
	<u>50,496</u>	<u>18,179</u>
<b>12 TERM LOAN</b>		
Zenith Bank Plc/CBN Intervention Fund	675,000	243,000
Standard Chartered Bank Nigeria Limited	157,850	56,826
	<u>832,850</u>	<u>299,826</u>
<b>Analysed into:</b>		
Due within one year	282,850	101,826
Due after more than one year	550,000	198,000
	<u>832,850</u>	<u>299,826</u>

### Security and Interest Rate

The Bank loan with the exception of Zenith Bank Plc/CBN Industrial Loan Intervention Fund were secured by duly executed trust deed/debenture deed on fixed and floating assets of the Company. The interest rate ranges between 7% to maximum of 12%.

# MINL LIMITED

## NOTES TO THE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2013

### 13 SHARE CAPITAL

	2013 N	2013 Rs
<b>a. Authorised Capital</b>		
1,000,000,000 Ordinary Shares of N1.00 each	10,00,000	3,60,000
<b>Issued Capital</b>		
<b>b. 907,897,869 Ordinary Shares of N1.00 each</b>	9,07,898	3,26,843

### 14 REVENUE RESERVES

Current Year Profit After Tax	44,56,069	16,04,185
Retained Earning Brought Forward	1,81,21,972	65,23,910
Cummulative Revenue Reserve Before Dividend	2,25,78,041	81,28,095
Dividend Declared	6,35,529	2,28,790
	2,19,42,512	78,99,304
Prior Year Adjustment - "FIRS" Tax Audit Liability Assessments - Additional Taxes		-
Year End Retained Earnings	2,19,42,512	78,99,304

### 15 DIVIDEND ACCOUNT

<b>Disposal</b>		
Balance Brought	9,98,688	3,59,528
Dividend Declared	6,35,529	2,28,790
Dividend Paid	16,34,217	5,88,318
Dividend Payable	15,43,427	5,55,634
	90,790	32,684

The Board of Directors during the year approved the payment of interim dividend. The interim dividend will be recommended for adoption at the Annual General Meeting of the Company.

In line with SAS 23 dividend is reported in the financial statement in the year the dividend is declared, accordingly the dividend for each year form part of the revenue reserve account.



# MINL LIMITED

## NOTES TO THE ACCOUNT

### 16 REVENUE

	2013 N	2013 Rs
Export Sales and Incentives	4,711,381	1,696,097
Domestic Sales	28,001,730	10,080,623
	<u>32,713,111</u>	<u>11,776,720</u>

#### Analysis as per division

Export - Alloy Plant & Others	4,711,381	1,696,097
Local Sales - Pioneer	24,081,379	8,669,296
Local Sales - Non Pioneer	3,920,351	1,411,326
	<u>32,713,111</u>	<u>11,776,720</u>

### 17 PRODUCT COST

Raw Material at start	5,599,693	2,015,889
Purchases	26,107,686	9,398,767
	<u>31,707,379</u>	<u>11,414,656</u>
Less: Closing Raw Material	7,778,869	2,800,393
Raw Materials consumed	23,928,510	8,614,264
<b>Conversion cost</b>		
Production Salaries and Wages	351,959	126,705
Production Overheads	1,282,358	461,649
Depreciation - Plant and Machinery	1,455,914	524,129
Factory Rent	28,532	10,272
	<u>27,047,273</u>	<u>9,737,018</u>
Work in progress at Start	39,986	14,395
Work in progress at Close	53,211	19,156
<b>Production Cost</b>	<u>27,034,048</u>	<u>9,732,257</u>

### 18 COST OF SALES

Finished Goods at Start	1,072,173	332,374
Production Cost	27,034,048	8,380,555
	<u>28,106,221</u>	<u>8,712,929</u>
Finished Goods at Close	1,091,577	338,389
Export Freights and Handling Charges	47,770	14,809
	<u>27,062,414</u>	<u>8,389,348</u>

# MINL LIMITED

## NOTES TO THE ACCOUNT

	31st December	
	2013	2013
	N	Rs
<b>19 ADMIN. &amp; ESTABLISHMENT CHARGES</b>		
Directors Fees	100	36
Staff Cost	78,772	28,358
Establishment Charges	597,453	215,083
Advert and Selling Expenses	54,291	19,545
Bad Debt Written Off	170,080	61,229
Cash Loss	7,949	2,862
Audit Fees	9,450	3,402
Bank Charges	194,149	69,894
Depreciation	43,651	15,714
	<u>1,155,896</u>	<u>416,123</u>
<b>20 OTHER INCOME</b>		
Exchange Gain/ (Loss)	56,336	20,281
Dividend Income	703	253
Loss on sale of Fixed Assets	371	134
	<u>57,409</u>	<u>20,667</u>
<b>21 DISPOSAL ACCOUNT</b>		
Cost	123,507	44,463
Less: Depreciation	68,011	24,484
Book Value Before Disposal	<u>55,496</u>	<u>19,979</u>
Sales Proceeds	20,266	7,296
Loss on Property, Plant & Equipment	<u>(35,230)</u>	<u>(12,683)</u>
<b>22 INTEREST ON LOAN AND OVERDRAFT FACILITIES</b>		
Interest charges	<u>209,684</u>	<u>75,486</u>
<b>23 OPERATING PROFIT BEFORE TAXATION</b>		
	N	Rs
Export - Alloy Plant & Others	948,622	341,504
Local Sales - Pioneer	4,220,488	1,519,376
Local Sales - Non Pioneer	<u>(661,678)</u>	<u>(238,204)</u>
	<u>4,507,432</u>	<u>1,622,676</u>

# MINL LIMITED

## NOTES TO THE ACCOUNT

24 CURRENT TAXATION	31st December	
	2013 N	2013 Rs
Income Tax	47,661	17,158
Education Tax	3,702	1,333
	<u>51,363</u>	<u>18,491</u>

### i Taxable Income

The Income tax liability were derived from the non tax exempt income.

### ii Income Tax Relief

The operating profit derived from the Pioneer business is tax exempt. The Company was granted pioneer status vide certificate No NIPC/PSC No. 000171 effective from 1st April, 2010 to 31st March, 2015. In addition Income derived from the Alloy Plant exclusively for Export market is also tax exempt.

## 25 DEFERRED TAXATION

### a. Amount shown in the Financial Statement

Brought Forward	50,496	18,179
	<u>50,496</u>	<u>18,179</u>

### b. Amount not shown in the Financial Statement

Deferred Tax Liability Brought Forward	721,441	259,719
Current Year Deferred Tax Assets	(247,070)	(88,945)
Computation in Line with SAS 19-Year End Liability	474,371	170,774
Earlier Provision in Financial Statement	50,496	18,179
Amount not Shown in the Financial Statements	<u>423,875</u>	<u>152,595</u>

The Company's Board of Directors opted not to make provision for deferred taxation because of its exempt export business and pioneer status, in addition to annual capital investment in production machinery.

## 26 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	45
Senior Staff	92
Junior Staff	721
	<u>858</u>

### b Staff Cost

Salaries, wages and benefits(inclusive of pension contributions)

	<u>468,734</u>	<u>168,744</u>
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# MINL LIMITED

## NOTES TO THE ACCOUNT

	31st December	
	2013	2013
	N	Rs
<b>27 <u>RELATED PARTY BALANCES</u></b>		
<b>Due from Related Parties</b>		
Jebba Paper Mills Ltd		
Sumo Steels Limited	3,199,910	1,151,968
	<u>3,199,910</u>	<u>1,151,968</u>
<b>Due to Related Parties</b>		
Jebba Paper Mills Ltd	1,633,302	587,989
	<u>1,633,302</u>	<u>587,989</u>

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

## **28 RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Profit	4,507,432	1,622,676
Depreciation	1,494,423	537,992
(Profit)/Loss on sale of PPE	35,230	12,683
Interest Paid	209,684	75,486
Inventories	(2,318,610)	(834,700)
Debtors	3,152,360	1,134,850
Creditors	2,609,162	939,298
Net Cash provided by Operating Activities	<u>9,689,681</u>	<u>3,488,285</u>

## **29 RECONCILIATION OF CASH AND BANK BALANCES**

Cash in Hand and at Bank	2,295,568	826,404
Short Term Facilities and Bank overdraft	(1,720,477)	(619,372)
Cash and Cash Equivalent at Year End	<u>575,091</u>	<u>207,033</u>

## **30 COMPARATIVE FIGURES**

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