MeCure Industries Limited

Annual Report and Financial Statements
for the year ended 31 December 2020

By: Alexander Johnson & Co.
(Firm of chartered accountants)

MeCure Industries Limited

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for the year ended 31 December 2020

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Corporate Information

Company Registration Number

RC: 619125

Directors

Mr. Samir Udani	Chairman/CEO
Mrs. Dukor Anderline Ndidi	Executive Director
Dr. Ajie Obiefuna	Executive Director
Mrs. Ayotunde Owoigbe	Non-executive Director
Mr. Chidi Okoro	Non-executive Director
Mr. Arjun Udani	Non-executive Director
Mrs. Avni Udani	Non-executive Director
Mrs. Amy Udani	Non-executive Director

Independent Auditor

Alexander Johnson & Co.
Chartered Accountants
18, Oremeji Street Off Coker road
Ilupeju
Lagos

Corporate Office

MeCure Industries Limited
Debo Industrial Compound
Plot 6, Block H, Oshodi Apapa Expressway
Oshodi Lagos, Nigeria

Company Secretary
Banwo & Ighodalo
98, Awolowo road, southwest
Ikoyi, Lagos, Nigeria.

Principal Bankers

Standard Chartered Bank
Eco Bank Plc
Union Bank of Nigeria Plc

Report of the Directors

The directors submit their report together with the audited financial statements for the year ended 31 December 2020, to the members of MeCure Industries Limited ("the Company"). This report discloses the financial performance and state of affairs of the Company.

Incorporation and address

MeCure Industries Limited was incorporated in Nigeria on 16th March, 2005 under the Companies and Allied Matters Act as a private limited liability Company, and is domiciled in Nigeria.

Principal activity

The principal activity of the Company is to carry out the business of manufacturing of pharmaceutical products, distribution of pharmaceutical and nutraceutical products

Results and dividends

The Company's results for the year ended 31 December 2020 are set out on page 5. The Profit for the year has been transferred to retained earnings. The summarised results are presented below.

	2020 N'000	2019 N'000
Revenue	17,418,183	15,813,495
Profit before Interest and tax	2,395,057	2,135,745
Income tax	(287,842)	(511,458)
Profit for the year	658,483	303,913

Dividends

The directors do not propose dividend payment in respect of the year ended 31 December 2020 (2019: Nil).

Directors

The directors who held office during the year and to the date of this report are set out on page 1.

Directors' shareholding

The directors who held office during the year and to the date of this report together with their direct and indirect interests in the issued share capital of the Company as recorded in the register of directors' shareholdings and/or as notified by the directors for the purposes of sections 275 and 276 of the Companies and Allied Matters Act are as shown in shareholders' information below.

Directors' interests in contracts

For the purpose of section 277 of the Companies and Allied Matters Act, the following directors have notified the Company of their respective declarable interest in contracts with which the Company was involved as at 31 December 2020.

The Directors who serve for the year under review are as follows:

Directors

1 Mr. Samir Udani
2 Mrs. Dukor Anderline Ndidi
3 Dr. Ajie Obiefuna

Shareholders

The shares of the Company were held as follows:

	Ordinary shares of N1.00 held at 2020 and 2019 Number	Holding (%)
Samir Udani	4,000,000	20.00%
Avni Udani	3,800,000	19.00%
Amy Udani	4,000,000	20.00%
Arjun Udani	4,000,000	20.00%
Anderline Dukor	200,000	1.00%
Unallotted capital	4,000,000	20.00%
	20,000,000	100%

Employment of disabled persons

The Company maintains a policy of giving equal opportunities and fair consideration to applications for employment by both able and disabled persons having regard to their particular aptitudes and abilities, to develop their experience and knowledge and to qualify for promotion in furtherance of their respective careers.

Employee health, safety and welfare

In addition to providing comprehensive medical care for its employees through designated hospitals and clinics retained for this purpose, the Company also provides first aid medical facilities within the office premises. Fire prevention and fire fighting gadgets are installed in strategic locations within the Company's premises. To further protect the interest of its workers, the Company runs a contributory pension fund scheme.

The Company is committed to keeping employees informed as much as possible, of its performance and progress and to seek their views, whenever necessary.

Employee development and training

The Company attaches a lot of importance to the training and development of its employees. This has guided the Company's policy of continuous development of its human resources through courses and seminars organised by recognised professional bodies and organisations. Some members of staff benefited from these courses and seminars during the year.

Property, plant and equipment

The movement in property, plant and equipment has been disclosed in Note 12 to the financial statements. In the opinion of the directors, the carrying value of property, plant and equipment is not lower than the amounts shown in the financial statements.

Donations

The Company made no donations to charitable organisations or political association during the year (2019: Nil).

Independent Auditors

Messrs Alexander Johnson & Co. has indicated their willingness to continue in office in accordance with Section 357(2) of the Companies and Allied Matters Act.

By order of the Board

____

Banwo & Ighodalo
98, Awolowo road, southwest
Company Secretary
Lagos, Nigeria

___________, 2021

Statement of Directors' responsibilities

The Companies and Allied Matters Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. These responsibilities include:

a) ensuring that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act;

b) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; and

c) preparing the Company's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Mr. Samir Udani
Chairman/CEO

__________, 2021

Mrs. Dukor Anderline Ndidi
Executive Director

ALEXANDER JOHNSON & CO.
(CHARTERED ACCOUNTANTS)

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Ilupeju, Lagos.
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Housing Estate, Ikorodu, Lagos.

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Independent auditor's report

To the Members of MeCure Industries Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated and separate financial position of MeCure Industries Limited ("the Company") as at 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act.

What we have audited

MeCure Industries Limited financial statements comprise:

- the statements of financial position as at 31st December 2020;
- the statements of profit and other comprehensive income for the year then ended;
- the statements of change in equity for the year ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (IASs). Our responsibilities under those standards are further described in the *Auditor's responsibilities* for the audit of the consolidated and separate financial statements section of our report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The directors are responsible for the other information. The other information comprises the *Directors report, statement of directors' responsibilities and Statement of value added and Five-year financial summary* (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information

that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the consolidated and separated financial statements that give a true and fair view in accordance with International Reporting Standards and the requirements of the Companies and Allied Matters Act and for such internal control as the directors determines in necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overcasting the Company's financial reporting process.

Auditor's responsibilities for the audit of the statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities to express an opinion on the financial statements.

We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) The Company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

iii) The Company's statement of financial position and comprehensive income are in agreement with the books of account.

Alexander Johnson & Co

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
3G/ICAN
0470662

For: **Alexander Johnson & Co.**
Chartered Accountants
Lagos, Nigeria

5 May 2021

Engagement Partner: Olufemi Johnson
FRC/2016/ICAN/00000014668

Statement of profit or loss and other comprehensive income

	Note	2020 N'000	2019 N'000
Revenue	4	17,418,183	15,813,495
Cost of sales	5	(11,849,812)	(10,653,590)
Gross profit		**5,568,371**	**5,159,904**
Marketing expenses	6	(935,411)	(837,995)
Administrative expenses	6	(2,237,903)	(2,186,164)
Operating Profit		2,395,057	2,135,745
Profit before Interest and tax		**2,395,057**	**2,135,745**
Finance cost	8	(1,448,732)	(1,320,374)
Profit Before Tax		**946,325**	**815,371**
Income tax	9	(287,842)	(511,458)
Profit for the year		**658,483**	**303,913**
Other comprehensive income for the year		-	-
Profit for the year		**658,483**	**303,913**
Basic and diluted earnings/(loss) per share (Naira)	17	32.92	15.20

The notes on pages 12 to 26 are an integral part of these financial statements.

MeCure Industries Limited
Annual Report and Financial Statements
for the year ended 31 December 2020
Statement of Financial Position

	Note	2020 N'000	2019 N'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	5,818,205	3,378,556
Intangible assets	11	751,948	1,706,969
Development Cost	11	-	-
Total non-current assets		6,570,153	5,085,525
Current assets			
Inventories	12	6,933,005	6,542,089
Trade and other receivables	13	3,193,626	2,040,607
Cash and cash equivalents	14	37,504	22,546
Total current assets		10,164,135	8,605,242
Total assets		**16,734,287**	**13,690,767**
LIABILITIES			
Non-current liabilities			
Term Loan		9,520,195	7,084,562
Unsecured Loan		0	227,130
Deferred tax liabilities	9	653,046	653,046
		10,173,241	7,964,738
Current liabilities			
Trade and other payables	15	440,724	438,243
Bank Overdraft		358,683	472,473
Current tax liabilities	9	1,078,763	790,921
Total current liabilities		1,878,170	1,701,637
Total liabilities		**12,051,411**	**9,666,374**
EQUITY			
Share capital	18	20,000	20,000
Retained profit		4,662,876	4,004,393
Total equity		**4,682,876**	**4,024,393**
Total equity and liabilities		**16,734,287**	**13,690,767**

The notes on pages 12 to 26 are an integral part of these financial statements.

The financial statements on pages 8 to 28 were approved and authorised for issue by the board of directors on ________ 2021 and were signed on its behalf by:

Mr. Samir Udani
Chairman/CEO

Mrs. Dukor Anderline Ndidi
Executive Director

MeCure Industries Limited
Annual Report and Financial Statements
for the year ended 31 December 2020
Statement of Changes in Equity

	Share capital N'000	Capital contribution N'000	Retained earnings N'000	Total N'000
Balance at 1 January 2020	**20,000**	**-**	**4,004,393**	**4,024,393**
Profit for the year	-	-	658,483	658,483
Other comprehensive income	-	-	-	-
Total comprehensive Profit	-	-	658,483	658,483
Balance at 31 December 2020	**20,000**	**-**	**4,662,876**	**4,682,876**
At 1 January 2019	**20,000**	**-**	**3,700,480**	**3,720,480**
Profit for the year	-	-	303,913	303,913
Prior year adjustment (Restated Non-Current			-	
Other comprehensive income	-	-	-	-
Total comprehensive Profit	-	-	303,913	303,913
Balance at 31 December 2019	**20,000**	**-**	**4,004,393**	**4,024,394**

The notes on pages 12 to 26 are an integral part of these financial statements.

Statement of Cash Flows

	Notes	2020 N'000	2019 N'000
Cash flows from operating activities			
Cash used in operations	18	1,072,062	2,227,323
Tax paid	9	-	-
Net cash used in operating activities		**1,072,062**	**2,227,323**
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(3,151,818)	(2,786,015)
Purchase of intangible assets	11	-	-
Cash flows from Financing activities			
Long-term loan		2,208,503	898,805
Bank Overdraft		(113,790)	(346,275)
Net cash used in investing activities		**(1,057,104)**	**(2,233,485)**
Net (decrease)/increase in cash and cash equivalents		**14,958**	**(6,161)**
Cash and cash equivalents at the beginning of the year	14	22,545	28,707
Cash and cash equivalents at the end of the year	14	**37,504**	**22,545**

The notes on pages 12 to 26 are an integral part of these financial statements.

1 General information

These financial statements are the financial statements of MeCure Industries Limited ("the Company"). MeCure Industries Limited was incorporated in Nigeria on 16th March, 2005 under the Companies and Allied Matters Act as a private limited liability company, and is domiciled in Nigeria. The address of its registered office is:

Debo Industrial Compound
Plot 6, Block H, Oshodi Apapa Expressway
Oshodi Lagos, Nigeria

The principal activity of the Company is to carry out the business of manufacturing of pharmaceutical products, distribution of pharmaceutical and nutraceutical products

2 Summary of significant accounting policies

2.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of preparation

The financial statements of the MeCure Industries Limited have been prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board ("IASB"). Additional information required by National regulations is included where appropriate. As first time adoption, appropriate standard are adopted in line with IFRS 1

The financial statements comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes to the financial statements.

The financial statements have been prepared in accordance with the going concern principle under the historical cost concept. All values are rounded to the nearest thousand, except when otherwise indicated. The financial statements are presented in Naira.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies."&" Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed."&" Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 10 & 11

2.2.1 Going concern

The financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and settlement of liabilities in the normal course of business as the fall due. The directors are of the opinion that the Company will continue to be in operation in the nearest future. There is no intention on their part to liquidate the entity or to significantly curtail its activities.

2.2.2 Changes in accounting policies and disclosures

i) New standards, amendments, interpretations

The following standards have been adopted by the Company for the first time for the financial period beginning on or after 1 January 2018:

2.2.2 Changes in accounting policies and disclosures (continued)

ii) New Standards, amendments, interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not effective for 31 December 2017 reporting periods and have not been earlier adopted by the Company. The Company's assessement of the impact of these new standards and interpretations (excluding quantitative impact) is set out below.

Title of standard	**IFRS 9** ***Financial Instruments***
Nature of change	IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.
Impact	The Company has reviewed its financial assets and liabilities and is not expecting any impact from the adoption of the new standard on 1 January 2018.
Date of adoption by company	Not yet adopted

Title of standard	**IFRS 15** ***Revenue from Contracts with Customers***
Nature of change	The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. It requires that in recognising revenue, the Company must: 1. Identify the contract(s) with the customer 2. Identify performance obligations in the contract(s) 3. Determine the transaction price 4. Allocate the transaction price to performance obligations in the contract 5. Recognise revenue when (or as) the Company satisfies a performance obligation. The standard permits either a full retrospective or a modified retrospective approach for the adoption.
Impact	The company's revenue is the fair value of the consideration received or receivable from the sales of manufactured pharmaceutical products & Nutraceuticals net of discount. The new standard will not have a significant impact on the company.
Date of adoption by company	Effective January 1, 2018

Title of standard	**IFRS 16** ***Leases***
Nature of change	IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.
Impact	The new standard will not have any impact on the Company.
Date of adoption by company	Must be applied for financial years commencing on or after 1 January 2019.

2.3 Foreign currency translation

a) *Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency and presentation currency of the Company is the Nigerian Naira (N).

b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency are recognized in profit or loss. Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

2.4 Financial instruments

2.4.1 Financial assets

a) *Classification*

The Company classifies its financial assets as loans and receivables. The Company does not hold any financial assets in any other financial instrument category. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables comprise trade receivables, due from related parties and cash and cash equivalents, and are included in current and non current assets depending on their contractual settlement date. They are classified as current if they are to be settled within one year and non-current if they are to be settled after one year.

c) *Recognition and measurement*

Loans and receivables are initially recognized at fair value using the effective interest rate method. Subsequently, loans and receivables are carried at amortised cost less any impairment.

2.4.2 Financial liabilities

a) *Classification*

Financial liabilities are classified as financial liabilities at amortised cost. The Company has no financial liabilities in any

b) *Financial liabilities at amortised cost*

These include trade payables, due to related parties and borrowings. Trade payables are classified as current liabilities due to their short term nature while borrowings are spilt into current and non current liabilities. Borrowings included in non-current liabilities are those with maturities greater than 12 months after the reporting date.

c) *Recognition and measurement*

Financial liabilities are recognized initially at fair value, net of any transaction costs. Subsequently, they are measured at amortised cost using the effective interest method.

2.4.3 Derecognition

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred.

2.4.4 Offsetting financial instruments

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

2.4.5 Impairment of financial assets

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

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

2.5 Revenue recognition

The company recognises revenue when the amount of revenue can be reliably measured and when risks and rewards have passed to the customer. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable from sale of pharmaceutical products & Nutraceuticals net of discounts. This amount excludes value added tax and any amount remittable to third parties.

2.6 Employee benefits

2.6.1 Wages, salaries and annual leave

Wages, salaries, bonuses, other contributions, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by employees of the Company.

The Company operates a defined contribution pension scheme.

2.6.2 Defined contribution scheme

The Company operates a defined contribution retirement benefit scheme for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. In a defined contribution plan, the actuarial risk falls 'in substance' on the employee. The employee contributes 8% while the Company contributes 10% of monthly emoluments of the employees in compliance with the Pension Reform Act 2014. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The assets of this scheme are held in separate trustee administered funds, which are funded by contributions from both the employee and the Company. The contributions are recognised as employee benefit expense when they are due.

2.7 Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as changes from receivables and liabilities.

In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. In the statement of cash flows, cash and cash equivalents includes cash in hand, deposit held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

The cash flows from investing and financing activities are determined by using the direct method.

2.8 Cash and cash equivalents

Cash and cash equivalents represent a net of cash and bank balances as well as short term investments that are readily convertible to cash. Cash and cash equivalents comprise cash in hand and current balances with banks.

2.9 Leases

The Company is a lessee and it classifies its leases as operating leases.

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.10 Property, plant and equipment

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that

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

Construction work in progress is not depreciated. All such assets, once available for use are capitalised within the appropriate class of property, plant and equipment and subjected to the applicable depreciation rate in the year they are put to use.

Land is not depreciated by the Company. Depreciation of property, plant and equipment is calculated using the straight-

	Useful life (years)
Plant & Machinery	10
New Factory (WIP)	NIL
Motor Vehicle	10
Ambulance	10

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

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the estimated selling price in the ordinary course of business less costs to sell and value in use.

2.10 Property, plant and equipment (continued)

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and taken into account in determining operating profit. These gains or losses are recognised within "other income or loss" in profit or loss.

2.11 Intangible assets

Intangible assets include computer softwares. Software acquired by the company is stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of future economic benefits embodied in the asset. Software has a finite useful life, the estimated useful life of the software is five years for E-Pharmacy and ten years for IP Software.

2.12 Finance cost

Finance cost comprises interest expense on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest

2.13 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Current and deferred taxation

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

a) Income tax

The current income tax charge is calculated on the basis of the applicable tax laws enacted or substantively enacted at the reporting date in the country, Nigeria, where the Company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax

b) Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against

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

2.15 Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in

The cost of inventory is determined using the first-in, first-out (FIFO) method and comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), incurred in bringing inventory to its present location and condition.

Allowance is made for excessive, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in the period in which the write-downs or losses occur.

2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is within one year or less. Otherwise, they are classified as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.17 Share capital

The Company has only one class of shares; ordinary shares. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

3 Financial risk management

3.1 Financial risk factors

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's risk management is carried out by the board of directors. The finance department identifies, evaluates and hedges financial risks. The board provides principles for overall risk management as well as policies covering specific areas such as foreign exchange risk, interest rate risk and credit risk.

3.1.1 *Credit risk*

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

a) **Management of credit risk**

Credit risk is managed on a Company basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management.

3.1.1 *Credit risk (continued)*

a) Management of credit risk (continued)

Services rendered to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

b) Credit quality

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

The definition of credit ratings of cash and bank balances is listed below:

AAA: Highest credit quality. 'AAA' ratings denote the lowest expectation of credit risk. They are assigned only in cases of exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA: Very high credit quality. 'AA' ratings denote expectations of very low credit risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A: High credit quality. 'A' ratings denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

3.1.2 *Liquidity risk*

a) Management of liquidity risk

Cash flow forecasting is performed by the finance department. The finance department monitors funding requirements to ensure it has sufficient cash to meet operational needs.

The Company has incurred indebtedness in the form of trade payables, overdrafts and loans. The Company evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Company devises strategies to manage its liquidity risk.

Prudent liquidity risk management implies that sufficient cash is maintained and that sufficient funding is available through an adequate amount of committed credit facilities.

3.1.3 Market risk

The Company takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company is exposed to interest rate risk and foreign exchange rate risk.

a) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates. Borrowings obtained at variable rates give rise to interest rate risk. The Company had no borrowings as at year end.

b) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Company is exposed to risks resulting from fluctuations in foreign currency exchange rates. A change in the value of any such foreign currency could have an effect on the Company's cash flow and future profits. The Company is exposed to exchange rate risk as a result of cash balances denominated in a currency other than the Naira.

3.1.3 Market risk (continued)

Sensitivity analysis for foreign exchange risk

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date.

The sensitivity of the Company's earnings to fluctuations in exchange rates is reflected by varying the exchange rates at 5% depreciation of the Naira against the US Dollar as shown below:

c) **Price risk**

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company does not hold any financial instruments whose value changes with changes in market prices and is not exposed to price risk.

3.2 Capital management

3.2.1 Risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as the sum of all equity components on the statement of financial position.

The Company is geared as at 31 December 2019 and 31 December 2018 respectively.

3.3 Fair value

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable input reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions.

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3	Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

All the Company's financial assets and liabilities are measured at amortized cost. The fair values are within level 2 of the fair value hierarchy.

3.4 Offsetting financial assets and financial liabilities

There are no offsetting arrangements. Financial assets and liabilities are settled and disclosed on a gross basis.

4 Critical accounting estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the area that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in note 10, together with information about the basis of calculation.

a) Income and deferred tax

The Company is subject to income taxes within Nigeria, which does not require much judgement in terms of provision for income taxes but a certain level of judgement is required for recognition of the deferred tax assets. Management is required to assess the ability of the Company to generate future taxable economic earnings that will utilise the deferred tax assets. Assumptions over the generation of future taxable profits depends on management's estimates of future cash flows. This estimate of future taxable income are based on forecast cash flows from operations.

	2020	2019
4 Revenue	**N'000**	**N'000**
Sales of Finished product	17,418,183	15,813,495

All revenue was generated within Nigeria.

	2020	2019
5 Cost of sales	**N'000**	**N'000**
Opening Inventories of raw material	4,092,628	4,159,129
Add: Purchases of raw materials	11,287,321	9,769,469
	15,379,949	13,928,598
Less: Closing Inventories of raw materials	(4,736,610)	(4,092,628)
Material Consumed	10,643,339	9,835,970
Add: Opening Inventories of work-in-progress	959,470	1,486,199
Less: Closing Inventories of work-in-progress	(685,440)	(959,470)
Add: Opening Inventories of Finished goods	1,489,991	977,405
Less: Closing Inventories of Finished goods	(1,510,955)	(1,489,991)
Overheads	6,144	5,041
Other direct expenses	947,263	798,436
	11,849,812	10,653,590

	2020	2019
6 Expenses by function	**N'000**	**N'000**
Marketing expenses	935,411	837,995
Administrative expenses	2,237,903	2,186,164
	3,173,314	3,024,159

The balances above have been further analysed as follows:

	2020	2019
Employee costs (Note 7)	537,427	516,105
Depreciation (Note 11)	64,203	64,203
Utilities	158,664	130,063
Rent	36,000	22,487
Foreign exchange loss - realised	28,950	17,738
Marketing expenses	935,411	837,995
Audit fees & Professional fee	20,650	19,438
Repairs and maintenance	56,291	62,914
Amortization (Note 11)	955,022	955,393
Regulatory expenses	36,439	21,488
Outsourcing fee	48,720	47,751
Insurance	40,695	35,126
Other expenses	254,840	293,458
	3,173,314	3,024,159

	2020	2019
7 Employee costs	**N'000**	**N'000**
Salaries and wages	480,112	453,356
Defined contribution benefit	4,745	1,894
Other employment related expenses	52,570	60,856
	537,427	516,105

8 Finance Cost	2020 N'000	2019 N'000
Bank Comm and Charges	104,184	182,072
Bank Interest	1,344,547	1,138,301
	1,448,732	1,320,374

Interest relates to the interest paid during the year for the term loan

9 Taxation	2020 N'000	2019 N'000
a) Current income tax		
Company income tax (provision)	287,842	143,617
Education tax		28,196
Prior year under provision		
Deferred tax charge to the profit or loss	-	339,645
Total tax charge to profit or loss	287,842	511,458

	2020 N'000	2019 N'000
b) Current income tax liability		
Balance at 1 January	790,921	619,108
Charge for the year:		
Income tax expense	287,842	143,617
Education tax	-	28,196
Prior year under provision	-	
Payment during the year	-	
At 31 December	1,078,763	790,921

9 Taxation (continued)

d) Deferred income tax

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets of N100 Million (31 December 2019: Nxxx million) for the Company have not been recognised as at 31 December 2019 because the Directors are of the opinion that it is probable that future taxable profits will not be available against which they can be utilised.

The analysis of deferred tax assets/(liabilities) is as follows:	2020 N'000	2019 N'000
To be recovered after more than 12 months	(653,046)	(653,046)
To be recovered within 12 months	-	-
	(653,046)	(653,046)

Deferred income tax assets and liabilities, deferred income tax charge/(credit) in profit or loss (P/L) are attributable to the following items:

Deferred income tax assets/(liabilities):	At 1 January N'000	Credit/ (charge) to P/L N'000	Credit/ (charge) to equity N'000	At 31 December 2020 N'000
Property, plant and equipment	(653,046)	-	-	(653,046)
Tax losses charged to profit & loss	-	-	-	-
Unutilised tax credits	-	-	-	-
Total deferred tax liabilities	(653,046)	-	-	(653,046)

Deferred income tax assets/(liabilities):	At 1 January 2019 N'000	Credit/ (charge) to P/L N'000	Credit/ (charge) to equity N'000	At 31 December 2019 N'000
Property, plant and equipment	(313,401)	(339,645)	-	(653,046)
Tax losses charged to profit & loss			-	-
Unutilised tax credits			-	-
Total deferred tax assets/(liabilities)	(313,401)	(339,645)	-	(653,046)

10 Property, plant and equipment

	Plant & Machinery N'000	New Factory WIP N'000	Motor Vehicle N'000	Ambulance N'000	Total N'000
Cost:					
As at 1 January 2020	6,479,661	1,371,743	49,788	592,243	8,493,435
Additions	3,151,818	-	-	-	3,151,818
As at 31 December 2020	9,631,479	1,371,743	49,788	592,243	11,645,253
As at 1 January 2019	5,065,389		49,788	592,243	5,707,420
Additions	1,414,272	1,371,743	-	-	2,786,015
As at 31 December 2019	6,479,661	1,371,743	49,788	592,243	8,493,435
Accumulated depreciation					
As at 1 January 2020	4,725,113	-	34,420	355,346	5,114,879
Charge for the year	647,966		4,979	59,224	712,169
As at 31 December 2020	5,373,079	-	39,399	414,570	5,827,048
As at 1 January 2019	4,194,939		29,441	296,122	4,520,502
Charge for the year	530,175		4,979	59,224	594,377
As at 31 December 2019	4,725,113	-	34,420	355,346	5,114,879
Net book value					
At 31 December 2020	4,258,400	1,371,743	10,389	177,673	5,818,205
At 31 December 2019	1,754,548	1,371,743	15,368	236,897	3,378,556

The depreciation charge on Plant & Machinery is classified as cost of sales. The depreciation charge on other categories of property, plant and equipment is classified as administrative expenses.

11 Intangible assets

	2020 N'000	2019 N'000
Cost:		
As at 1 January and 31 December	3,295,535	3,295,535
Accumulated amortisation (Restated):		
As at 1 January	2,681,952	2,091,021
Charge for the year	590,560	590,931
As at 31 December	3,272,512	2,681,952
Net book value:		
At 31 December	23,023	613,583

Intangible asset comprises of E-Pharmacy and IP Software Development

11 Intangible assets - R&D

	2020 N'000	2019 N'000
Cost:		
As at 1 January and 31 December	1,822,310	1,822,310
Accumulated amortisation :		
As at 1 January	728,924	364,462
Charge for the year	364,462	364,462
As at 31 December	728,924	1,093,386

12 Inventories

	2020 N'000	2019 N'000
Raw materials	4,736,610	4,092,628
Work-In-Progress	685,440	959,470
Finished goods	1,510,955	1,489,991
	6,933,005	6,542,089

Write-downs of inventories represent the lower of cost or net realisable value as at the reporting date.

13 Trade and other receivables

	2020 N'000	2019 N'000
Prepaid expenses	37,405	32,455
Trade receivables	974,028	736,129
Other receivables	344,703	337,494
Due from related parties (note 21)	1,837,490	934,528
	3,193,626	2,040,607

14 Cash and cash equivalents

	2020 N'000	2019 N'000
Cash-in-hand	2,793	1,212
Cash at bank	34,711	21,333
	37,504	22,546

15 Trade and other payables

	2020 N'000	2019 N'000
Trade payables	404,220	382,832
Pension and other benefits	969	2,372
PAYE and Withholding Tax	4,933	3,293
Accrued salaries	11,481	12,276
Audit fee payable	3,163	5,528
Due to related parties (note 21)	15,958	31,943
	440,724	438,243

All trade payables are due within twelve (12) months.

16 Borrowings

	2020 N'000	2019 N'000
Current		
Bank O/D	358,683	472,473
Unsecured loan (LC)	9,520,195	7,084,562
Term Loan	0	227,130
Total Borrowings	9,878,878	7,784,165

Details of bank borrowings are:
- Bank O/D represent facility provided by Zenith bank, Eco bank, Standard chartered bank and union bank Plc. These facility are for working capital are renewal annually.
- Other bank loan such as Bill Finance and LC represent LC and bill financing. These facilities are available for purchases of raw materials (Import LC)
- Term Loan represent a long term loan from Sterling bank plc with total amount N451million

Movement in borrowings	2020 N'000	2019 N'000
At 1 January	7,784,165	7,231,635
Additional drawdowns in the year	2,094,714	552,530
Interest expense for the year	1,344,547	1,138,301
Principal repayments in the year	-	-
Interest repayment in the year	(1,344,547)	(1,138,301)
At 31 December	9,878,878	7,784,165

16 Ordinary share capital

	2020 N'000	2019 N'000
Authorised:		
Ordinary shares of N1.00 each	20,000	20,000
Issued and fully paid:		
Ordinary shares of N1.00 each	20,000	20,000

17 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

	2020	2019
Profit attributable to equity holders of the Company (N'000)	658,483	303,913
Weighted average number of ordinary shares in issue ('000)	20,000	20,000
Basic and diluted loss per share (Naira)	32.92	15.20

Diluted EPS is the same as the basic earning per share as there are no potential securities convertible to ordinary

18	**Cash generated from operating activities**	**2020 N'000**	**2019 N'000**
	Profit before tax	946,325	815,371
	Adjustment for:		
	Depreciation of property, plant and equipment (Note 10)	712,169	594,378
	Amortisation (Note 12)	955,022	955,393
	Changes in working capital:		
	-Decrease in inventories	(390,916)	80,645
	-Increase in trade and other receivables	(1,153,019)	(329,821)
	-Increase in trade and other payables	2,481	111,358
	Cash used in operations	**1,072,062**	**2,227,323**

19 **Related parties**

The MeCure Industries Limited has a common directors with MeCure Healthcare Limited who is a parent company of MeCure Infraproject and MeCure Wecare Limited.

A number of transactions were entered into with related parties in the normal course of business in an arms length basis. These are disclosed below:

a)	**Finance costs**	**Nature of relationship**	**2020 N'000**	**2019 N'000**
		Common Directors (MHL)	178,654	178,654
		Common Directors (MIPL)	21,694	21,694

19 Related parties (continued)

The receivables from MeCure Healthcare Limited, MeCure Infraproject Limited and MeCure WeCare Limited relates to loan repayment and short-term non-interest borrows by MeCure Industries Limited on behalf of its related companies.

c) Receivables from related parties	Nature of relationship	2020 N'000	2019 N'000
Mecure Healthcare Limited	Common Directors	1,613,340	707,388
Mecure Infraproject Limited	Common Directors	88,757	91,747
Mecure Wecare Limited	Common Directors	135,393	135,393
		1,837,490	934,528

d) **Key management compensation**

	2020 N'000	2019 N'000
Amy Udani	23,000	23,000
Avni Udani	25,000	25,000
	48,000	48,000

The directors receive emolument from the Company for the year ended 2020 (2019: N48 million).

20 Directors and employees

a) The average number of persons (excluding directors) employed by the Company during the year was as follows:

	2020 Number	2019 Number
Managerial	2	2
Senior staff	4	4
Others	108	106
	114	112

b) The table below shows the number of employees (excluding directors), who earned over N400,000 as emoluments in the year and were within the bands stated.

	2020 N'000	2019 N'000
Below 400,000		
400,000 - 1,000,000	297,400	285,601
1,000,001 - 3,000,000	121,410	116,593
3,000,001 - 6,000,000	82,689	79,408
Above 6,000,000	35,928	34,503
	537,427	516,105

c) Staff costs for the above persons have been disclosed in Note 8.

21 Contingent liabilities

There are no contingent liabilities as at the reporting date ended 31st December, 2020

22 Commitments

The Company had no capital commitments as at 31 December 2020 (2019: Nil).

23 Events after reporting period

There were events after the reporting date that are deemed to have a non-adjusting effect on the financial statements. The event is the second wave of COVID-19 and the vaccination currently being carried out by various Government including the

Statement of Value Added

	2020 N'000	%	2019 N'000	%
Revenue	17,418,183		15,813,495	
Other income	-		-	
Less:				
Bought in materials and services:				
Local	(2,194,755)		(1,956,574)	
Imported	(12,436,947)		(11,087,245)	
Value added	2,786,481	100	2,769,677	100
Applied as follows:				
To pay employees				
Wages, salaries and other benefits	537,427	19	516,105	19
To pay government:				
Tax expense	287,842	10	511,458	18
To provide for enhancement of assets and growth:				
Depreciation and amortisation of assets	1,302,729	47	1,438,202	52
Retained Profit for the year	658,483	24	303,913	11
Value added	2,786,481	100	2,769,677	100

Value added depicts wealth created by the Company alongside its employees' efforts and how that wealth has been distributed among various stakeholders. The various stakeholders comprise of the employees, shareholders, government, creditors and the wealth that is retained in the business.

MeCure Industries Limited

Annual Report and Financial Statements for the year ended 31 December 2020

Five-year financial summary

	IFRS				N-GAAP
				Restated	
	2020	2019	2018	2017	2016
Financial position	N'000	N'000	N'000	N'000	N'000
Capital employed:					
Ordinary share capital	20,000	20,000	20,000	20,000	20,000
Retained Earnings	4,662,876	4,004,393	3,700,480	3,272,939	2,257,964
Total equity	4,682,876	4,024,393	3,720,480	3,292,939	2,277,964
Represented by:					
Non-current assets	6,570,153	5,085,525	3,849,282	1,770,444	3,911,677
Current assets	10,164,135	8,605,242	8,362,227	6,231,493	4,867,760
Non-current liabilities	(10,173,241)	(7,964,738)	(6,726,288)	(3,955,442)	(5,429,407)
Current liabilities	(1,878,170)	(1,701,637)	(1,764,741)	(753,556)	(1,072,066)
Net assets/ (liabilities)	4,682,876	4,024,393	3,720,481	3,292,938	2,277,964
Net assets/(liabilities) per share (Naira)	234.14	201.22	186.02	164.65	113.90

Net assets per share is calculated by dividing net assets of the company by the number of ordinary shares outstanding at the end of the reporting period.

	IFRS				N-GAAP
				Restated	
	2020	2019	2018	2017	2016
Financial result	N'000	N'000	N'000	N'000	N'000
Revenue	17,418,183	15,813,495	15,172,872	11,233,039	11,801,095
Gross profit	5,568,371	5,159,904	4,977,962	3,356,783	1,918,166
Net operating expenses	(3,173,314)	(3,024,159)	(2,911,081)	(1,683,831)	(1,364,283)
Operating Profit	2,395,057	2,135,745	2,066,881	1,672,952	553,883
Finance cost	(1,448,732)	(1,320,374)	(1,165,159)	(1,145,443)	(425,099)
Profit before taxation	946,325	815,371	901,723	527,509	128,785
Tax (expense)/credit	(287,842)	(511,458)	(474,181)	(441,509)	(9,420)
Profit for the year	658,483	303,913	427,541	86,000	119,365
Basic and diluted earnings/(loss) per share (Naira)	32.92	15.20	21.38	4.30	5.97

Earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares outstanding at the end of the reporting period.