

# OMATEK VENTURES PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### YEAR ENDED 31/12/17

	MANUFACTURING N'M	TRADING N'M	ENGINEERING N'M	OTHER N'M	TOTAL N'M
<b>REVENUE</b>					
EXTERNAL CUSTOMERS	-	113	2	-	116
OTHER BUSINESS SEGMENT	-	-	-	-	-
<b>TOTAL REVENUE</b>	-	113	2	-	116
<b>COST OF SALES</b>	-	(63.96)	(2.45)	-	(66.41)
<b>GROSS PROFIT</b>	-	49	(0)	-	49
<b>OTHER INCOME</b>	-	0	-	(223)	(223)
<b>FAIR VALUE GAIN</b>	-	-	-	-	-
<b>SELLING AND DISTRIBUTION EXPENSES</b>	-	(1)	-	-	(1)
<b>ADMINISTRATION EXPENSES</b>	(2)	(290)	(6)	(103)	(402)
<b>OTHER EXPENSES</b>	-	-	-	-	-
<b>RESULT FROM OPERATIONS</b>	(2)	(242)	(6)	(326)	(577)
<b>FINANCE COST</b>	(128)	(88)	-	(811)	(1,027)
<b>NET PROFIT/(LOSS) BEFORE TAX</b>	(131)	(329)	(6)	(1,138)	(1,604)
<b>TAX EXPENSE</b>	(1.14)	(2.64)	-	0.00	(3.77)
<b>NET PROFIT/(LOSS) AFTER TAX</b>	(132)	(332)	(6)	(1,138)	(1,608)
<b>ASSETS</b>	704	113	66	5,410	6,292
<b>LIABILITIES</b>	(1,301)	(4,268)	(7)	(3,502)	(9,078)
<b>NET ASSETS</b>	(597)	(4,156)	59	1,908	(2,786)

### YEAR ENDED 31/12/16

	MANUFACTURING N'M	TRADING N'M	OTHER N'M	TOTAL N'M
<b>REVENUE</b>				
EXTERNAL CUSTOMERS	86	191	-	277
OTHER BUSINESS SEGMENT	57	-	-	57
<b>TOTAL REVENUE</b>	143	191	-	334
<b>COST OF SALES</b>	(16)	(185)	-	(201)
<b>GROSS PROFIT</b>	128	6	-	133
<b>OTHER INCOME</b>	(10)	4	(456)	(461)
<b>SELLING AND DISTRIBUTION EXPENSES</b>	-	(18)	-	(18)
<b>ADMINISTRATION EXPENSES</b>	(45)	(88)	(100)	(234)
<b>OTHER EXPENSES</b>	-	-	-	-
<b>RESULT FROM OPERATIONS</b>	72	(96)	(556)	(579)
<b>FINANCE COST</b>	(128)	(750)	-	(878)
<b>NET PROFIT/(LOSS) BEFORE TAX</b>	(56)	(846)	(556)	(1,458)
<b>TAX EXPENSE</b>	(1)	(2)	(7)	(11)
<b>NET PROFIT/(LOSS) AFTER TAX</b>	(57)	(849)	(563)	(1,468)
<b>ASSETS</b>	674	722	2,169	3,565
<b>LIABILITIES</b>	(1,139)	(6,997)	(632)	(8,769)
<b>NET ASSETS</b>	(465)	(6,276)	1,538	(5,203)

## 8 PROPERTY, PLANT & EQUIPMENT - GROUP

	LEASEHOLD BUILDING N'M	PLANT & MACHINERY N'M	FIXTURES & FITTINGS N'M	OFFICE EQUIPMENT N'M	COMPUTER EQUIPMENT N'M	MOTOR VEHICLE N'M	RESOURCES CENTER N'M	QUALITY TEST EQUIPMENT N'M	TOTAL N'M
<b>COST/VALUATION</b>									
BALANCE AS AT 1ST JANUARY 2017	2,130	24	35	26	12	196	1	0	2,425
UNREALISED FAIR VALUE GAIN ADDITIONS	-	-	-	-	-	-	-	-	-
BALANCE AS AT 31ST DECEMBER 2017	2,130	24	35	26	12	196	1	0	2,425
<b>DEPRECIATION</b>									
BALANCE AS AT 1ST JANUARY 2017	343	24	35	26	12	196	1	0	637
CHARGE FOR THE YEAR	42	1	1	0	-	-	-	-	44
ADJUSTMENT	-	-	-	-	-	-	-	-	-
BALANCE AS AT 31ST DECEMBER 2017	385	24	36	26	12	196	1	0	681
<b>CARRYING AMOUNT</b>									
AS AT 31ST DECEMBER 2017	1,745	3	5	0	0	0	0	0	1,753
AS AT 31ST DECEMBER 2016	1,787	0	0	0	0	0	0	0	1,788

## PROPERTY, PLANT & EQUIPMENT - COMPANY

	LEASEHOLD BUILDING N'M	TOTAL N'M
<b>COST/VALUATION</b>		
BALANCE AS AT 1ST JANUARY 2017	2,100	2,100
UNREALISED FAIR VALUE GAIN ADDITIONS	-	-
BALANCE AS AT 31ST DECEMBER 2017	2,100	2,100
<b>DEPRECIATION</b>		
BALANCE AS AT 1ST JANUARY 2017	313	313
CHARGE FOR THE YEAR	42	42
ADJUSTMENT	-	-
BALANCE AS AT 31ST DECEMBER 2017	355	355
<b>CARRYING AMOUNT</b>		
AS AT 31ST DECEMBER 2017	1,745	1,745
AS AT 31ST DECEMBER 2016	1,787	1,787

## 9 INVESTMENT PROPERTY

	LEASEHOLD BUILDING N'M	TOTAL N'M	LEASEHOLD BUILDING N'M	TOTAL N'M
<b>COST/VALUATION</b>				
BALANCE AS AT 1ST JANUARY 2017	2,200	2,200	2,200	2,200
FAIR VALUE GAIN	-	-	-	-
DISPOSAL	-	-	-	-
ADJUSTMENT	-	-	-	-
BALANCE AS AT 31ST DECEMBER 2017	2,200	2,200	2,200	2,200
<b>CARRYING AMOUNT</b>				
AS AT 31ST DECEMBER 2017	2,200	2,200	2,200	2,200
AS AT 31ST DECEMBER 2016	2,200	2,200	2,200	2,200

	GROUP		COMPANY	
	31ST DECEMBER 2017	31ST DECEMBER 2016	31ST DECEMBER 2017	31ST DECEMBER 2016
	N'M	N'M	N'M	N'M
<b>10 INVESTMENTS</b>				
OMATEK COMPUTERS GHANA	132	132	132	132
OMATEK VENTURES DISTRIBUTION LIMITED			(2,280)	(2,111)
OMATEK COMPUTERS NIGERIA			105	158
OMATEK ENGINEERING SERVICES LIMITED			22	
	<u>132</u>	<u>132</u>	<u>(2,022)</u>	<u>(1,821)</u>
<b>11 TAX</b>				
	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
<b>TAX EXPENSE</b>				
COMPANIES INCOME TAX	-	-		
EDUCATION TAX	-	-		
MINIMUM TAX	4	11	(0)	7
DEFERRED TAX	(0)	(0)		
DEFERRED TAX ON CONSOLIDATION	-	(1)		
	<u>4</u>	<u>10</u>	<u>(0)</u>	<u>7</u>
<b>ACCRUED TAX</b>				
BALANCE BROUGHT FORWARD	197	186	65	58
CURRENT CHARGE	4	11	(0)	7
PAYMENTS DURING THE PERIOD	-			
BALANCE CARRIED FORWARD	<u>201</u>	<u>197</u>	<u>65</u>	<u>65</u>
<b>DEFERRED TAX ASSET</b>				
BALANCE BROUGHT FORWARD	69	67		-
CURRENT PROVISION	0	1		
WHT				
BALANCE CARRIED FORWARD	<u>69</u>	<u>69</u>	<u>-</u>	<u>-</u>
<b>DEFERRED TAX LIABILITY</b>				
BALANCE BROUGHT FORWARD	31	31		-
CURRENT PROVISION	-	-		
BALANCE CARRIED FORWARD	<u>31</u>	<u>31</u>	<u>-</u>	<u>-</u>
NET DEFERRED TAX ASSET	<u>38</u>	<u>37</u>		
<b>12 INVENTORIES</b>				
	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
FINISHED GOODS	538	537		
RAW MATERIALS	37	37		
GOODS IN TRANSIT		-		
PROVISION FOR UNREALISED PROFIT	-	(3)		
	<u>575</u>	<u>571</u>	<u>-</u>	<u>-</u>

	GROUP		COMPANY	
	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
<b>13 TRADE &amp; OTHER RECEIVABLES</b>				
TRADE RECEIVABLES	232	228		
STAFF RECEIVABLES	0	0		
INTERCOMPANY	-	-	3,487	-
OTHER RECEIVABLES	106	43		
PROVISION FOR DOUBTFUL TRADE RECEIVABLES	(228)	-		
	<u>109</u>	<u>271</u>	<u>3,487</u>	<u>-</u>
<b>14 PREPAYMENTS</b>				
	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
PREPAID RENT	-	4	-	4
PREPAID INSURANCE	-	-	-	-
	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>
<b>15 CASH &amp; CASH EQUIVALENTS</b>				
	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
BANK BALANCES	43	37	-	-
CASH	-	15	-	-
CASH & CASH EQUIVALENTS - STATEMENT OF FINANCIAL POSITION	43	52	-	-
BANK OVERDRAFT	(293)	(292)	-	-
CASH & CASH EQUIVALENTS - STATEMENT OF CASH FLOWS	<u>(250)</u>	<u>(240)</u>	<u>-</u>	<u>-</u>



	GROUP		COMPANY	
	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
<b>16 SHARE CAPITAL</b>				
AUTHORISED				
7,000,000,000 ORDINARY SHARES @ NGN0.50	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
ISSUED				
2,941,789,472 ORDINARY SHARES @NGN0.50	<u>1,471</u>	<u>1,471</u>	<u>1,471</u>	<u>1,471</u>
<b>17 SHARE PREMIUM</b>				
	<u>4,376</u>	<u>4,376</u>	<u>4,376</u>	<u>4,376</u>
<b>18 REVALUATION RESERVE</b>	The factory building at Plot 11 Kudirat Abiola Way was valued on 31st December 2010 in accordance with IFRS by Adeniji Adele & Associates - Consulting Estate Surveyors & Valuers.			
<b>19 LONG TERM LOANS &amp; BORROWINGS</b>	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
BANK OF INDUSTRY TERM LOAN	2,060	2,060	2,060	
BANK OF INDUSTRY WORKING CAPITAL LOAN	<u>1,849</u>	<u>1,849</u>	<u>1,849</u>	
	<u>3,909</u>	<u>3,909</u>	<u>3,909</u>	<u>-</u>

There is an ongoing litigation between Bank of Industry and Omatek Ventures Plc pending at the Federal Court of Appeal, consequent upon a receiver order obtained against Omatek Ventures Plc in year 2017, after the death of the former Group Managing Director, Engr (Mrs) Florence Udebu Seriki. MFR, FNSE of blessed memory. The Board and new management are exploring out of Court settlement to facilitate the resumption of trading activities at our Oregunfactory and plan repayment.

	GROUP		COMPANY	
	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
<b>20 TRADE &amp; OTHER PAYABLES</b>				
TRADE PAYABLES	41	38		
STAFF PAYABLES	32	26		
ACCRUED EXPENSES	3,890	2,879	3,220	7
INTERCOMPANY	231	174		422
OTHER PAYABLES	579	470	217	138
	<u>4,773</u>	<u>3,586</u>	<u>3,437</u>	<u>567</u>
<b>21 REVENUE</b>				
	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
SALE OF GOODS TO 3RD PARTIES.	116	277	-	-
SHARE OF INCOME/(LOSS) OMATEK VENTURES DISTRIBUTION LIMITED			(169)	(433)
SHARE OF INCOME/(LOSS) OMATEK COMPUTERS NIGERIA			(53)	(23)
SHARE OF INCOME/(LOSS) OMATEK ENGINEERING SERVICES LIMITED			(1)	
	<u>116</u>	<u>277</u>	<u>(223)</u>	<u>(456)</u>
<b>22 OTHER INCOME</b>				
	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
PROFIT ON SALE OF FIXED ASSETS	-	-	-	-
RENTAL INCOME	-	-	-	-
AFTER SALES SERVICE	-	-	-	-
OTHERS	0	4	-	-
	<u>0</u>	<u>4</u>	<u>-</u>	<u>-</u>
<b>23 OTHER EXPENSE</b>				
	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
EXCHANGE LOSS		<u>10</u>		

	GROUP		COMPANY	
24 ADMINISTRATION EXPENSES	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M

INCLUDED IN ADMINISTRATION  
EXPENSES ARE:

DEPRECIATION	44	43	42	42
AUDITORS FEES	2	3	1	1
	<u>46</u>	<u>46</u>	<u>43</u>	<u>43</u>

25 EARNINGS PER SHARE - BASIC & DILUTED	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
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EARNINGS PER SHARE IS CALCULATED  
BY DIVIDING THE NET PROFIT AFTER TAX  
ATTRIBUTABLE TO EQUITY HOLDERS BY  
THE WEIGHTED AVERAGE NUMBER OF  
ORDINARY SHARES IN ISSUE DURING  
THE YEAR

PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS N'M	<u>(1,384)</u>	<u>(1,066)</u>
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	<u>2,942</u>	<u>2,942</u>
EARNINGS/(LOSS) PER SHARE (NGN)	<u>(0.47)</u>	<u>(0.36)</u>

26 SHORT TERM LOANS & BORROWINGS	31ST DECEMBER 2017 N'M	31ST DECEMBER 2016 N'M
SHORT TERM LOAN		
OPENING BALANCE	489.44	323.20
NET MOVEMENT IN THE YEAR	<u>(12.15)</u>	<u>166.24</u>
	<u>477.29</u>	<u>489.44</u>

## 27 GOING CONCERN

The Group incurred a net loss of N1,381 million for the year ended 31 December 2017 (2016 : net loss of N1,051 million) and interest cover was also negative 0.34 (2016 : -0.20). These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

The Management and Board have made adequate plans to reverse the trend by breaking new grounds in products and market development.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. The basis presumes that the Group will be able to penetrate the new markets and sell the new products and that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

**OMATEK VENTURES PLC**
**STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31ST DECEMBER 2017**

GROUP	2017		2016	
	N'M	%	N'M	%
REVENUE	116		277	
BOUGHT IN GOODS & SERVICES	(425)		(412)	
VALUE ADDED	<u>(309)</u>		<u>(135)</u>	
APPLIED AS FOLLOWS				
TO PAY EMPLOYEES	66	-21%	87	-65%
TO PAY GOVERNMENT	4	-1.2%	10	-7%
TO PAY PROVIDERS OF LOAN CAPITAL	1,027	-332%	878	-652%
NON CONTROLLING INTERESTS	(247)	80%	(490)	364%
RETAINED FOR GROWTH				
DEPRECIATION	44	-14%	43	-32%
RETAINED EARNINGS	(1,138)	368%	(576)	428%
	<u>(309)</u>	100%	<u>(135)</u>	100%

## OMATEK VENTURES PLC

### STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31ST DECEMBER 2017

COMPANY	2017		2016	
	N'M	%	N'M	%
REVENUE	(223)		(456)	
BOUGHT IN GOODS & SERVICES	(11)		(22)	
VALUE ADDED	<u>(234)</u>		<u>(478)</u>	
APPLIED AS FOLLOWS				
GOVERNMENT	7	-3.0%	7	-1.5%
EMPLOYEES	43	-18%	36	-7.5%
PROVIDERS OF FINANCE	811	-346%	-	0.0%
RETAINED FOR GROWTH				
DEPRECIATION	42	-17.9%	42	-8.8%
RETAINED EARNINGS	(1,138)	485.8%	(563)	117.8%
	<u>(234)</u>	100%	<u>(478)</u>	100%

**OMATEK VENTURES PLC**
**FIVE YEAR FINANCIAL SUMMARY**
**GROUP**

	2017 N'M	2016 N'M	2015 N'M	2014 N'M	2013 N'M
<b>PROFIT OR LOSS</b>					
<b>TURNOVER</b>	116	277	310	1,145	1,024
<b>PROFIT AFTER TAX</b>	(1,384)	(1,066)	(4,409)	(892)	(342)

**STATEMENT OF FINANCIAL POSITION**

<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	1,753	1,788	1,830	1,871	1,915
<b>OTHER NON CURRENT ASSETS</b>	2,401	2,401	2,399	3,199	3,198
<b>CURRENT ASSETS</b>	727	898	675	2,887	3,392
	4,881	5,087	4,904	7,957	8,505

**FINANCED BY**

<b>SHARE CAPITAL</b>	1,471	1,471	1,471	1,471	1,471
<b>SHARE PREMIUM</b>	4,376	4,376	4,376	4,376	4,376
<b>RETAINED EARNINGS</b>	(8,497)	(7,360)	(6,784)	(4,495)	(4,037)
<b>REVALUATION RESERVE</b>	615	615	615	615	615
<b>NON CONTROLLING INTEREST</b>	(2,768)	(2,521)	(2,030)	90	459
<b>NON CURRENT LIABILITIES</b>	3,940	3,940	3,940	4,043	3,946
<b>CURRENT LIABILITIES</b>	5,744	4,565	3,317	1,857	1,675
	4,881	5,087	4,904	7,957	8,505

# OMATEK VENTURES PLC

## FIVE YEAR FINANCIAL SUMMARY

### COMPANY

	2017 N'M	2016 N'M	2015 N'M	2014 N'M	2013 N'M
<b>PROFIT OR LOSS</b>					
REVENUE	(223)	(456)	(1,876)	(358)	161
PROFIT AFTER TAX	(1,138)	(563)	(2,298)	(454)	72

### STATEMENT OF FINANCIAL POSITION

PROPERTY, PLANT & EQUIPMENT	1,745	1,787	1,829	1,871	1,913
OTHER NON CURRENT ASSETS	178	379	834	2,711	3,069
CURRENT ASSETS	3,487	4	10	8	15
	5,410	2,169	2,673	4,589	4,997

### FINANCED BY

REVALUATION RESERVE	615	615	615	615	615
SHARE PREMIUM	4,376	4,376	4,376	4,376	4,376
SHARE CAPITAL	1,471	1,471	1,471	1,471	1,471
RETAINED EARNINGS	(8,463)	(4,925)	(4,362)	(2,064)	(1,610)
<b>NON CURRENT LIABILITIES</b>					
CURRENT LIABILITIES	3,502	632	573	191	144
	1,501	2,169	2,673	4,589	4,997



## **2018 AUDITED CONSOLIDATED FINANCIAL STATEMENTS**



**OMATEK VENTURES PLC**
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017**
**OPERATIONAL HIGHLIGHTS**

	<b>GROUP</b>			<b>COMPANY</b>	
	2018	2017		2018	2017
	<b>N'M</b>	<b>N'M</b>		<b>N'M</b>	<b>N'M</b>
Revenue	18	116		(80)	(223)
Total Comprehensive Income	(1,161)	(1,384)		(1,045)	(1,138)
Total Non Current Assets	4,113	4,154		1,801	1,923
Total Equity	(5,964)	(4,803)		(3,046)	(2,001)
Earnings/(Loss) Per Share (NGN)	(0.39)	(0.47)			

The directors submit their report together with the financial statements of Omatek Ventures Plc. for the year ended 31st December 2016.

# **1. LEGAL FORM**

The Group which commenced operation in Nigeria in 1988, was incorporated as a limited liability Company in Nigeria in 1988. It was converted into a Public Company in 2008 and its name was subsequently amended to reflect its status as a public company. The company's shares are quoted and traded on the Nigerian Stock Exchange.

# **2. PRINCIPAL ACTIVITIES AND CORPORATE DEVELOPMENT**

The Group has interests in subsidiaries and associates involved in manufacturing, distribution, selling and servicing of computer equipment and also provides engineering services.

# **3. BUSINESS REVIEW AND FUTURE DEVELOPMENT**

The Group carried out business activities in accordance with its Memorandum and Articles of Association. A Comprehensive review of the business for the year and the prospects for the ensuing year are contained in the Managing Director's Report.

# **4. FIXED ASSETS**

Movement in fixed assets during the year 2016 is shown in note 8 of the Notes to the Financial Statement herein. In the opinion of the directors, the market value of the Group's fixed assets is not less than the value shown in the accounts.

# **5. RESULTS**

The highlights for the financial statements of the group for the year are as follows:

	<b>GROUP</b>			<b>COMPANY</b>	
	2018	2017		2018	2017
	<b>N'M</b>	<b>N'M</b>		<b>N'M</b>	<b>N'M</b>
Revenue	18	116		(80)	(223)
Total Comprehensive Income	(1,161)	(1,384)		(1,045)	(1,138)
Total Non Current Assets	4,113	4,154		1,801	1,923
Total Equity	(5,964)	(4,803)		(3,046)	(2,001)
Earnings/(Loss) Per Share (NGN)	(0.39)	(0.47)			

# **6. DIVIDEND**

In respect of the current year, the Directors do not recommend any dividend.

# **7. DIRECTORS**

- The directors who were in office during the year are listed on page 3.
- The re-election of nine Non-Executive Directors is presented to the members for approval.
- The Group Chairman, Dr. Timothy Farinre and the Group MD/CEO, Engr. Florence Seriki are life Directors for the group. The Group MD/CEO, Engr. Florence Seriki died on the 3rd of March, 2017.

**d) DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for the preparation of the Group's financial statements which give a true and fair view of the state of affairs of the Group at the end of each financial year, and is in accordance with the provisions of the Companies and Allied Matters Act CAP C20 of the Laws of the Federal Republic of Nigeria, Securities and Exchange Commission Act 2007 as well as Corporate Governance Code of the Securities and Exchange Commission 2011, guidelines and circulars issued by the Nigerian Stock Exchange and other relevant regulators.

In doing so they ensure that:

- Proper accounting records are maintained;
- Internal control procedures are instituted which as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities;
- Applicable accounting policies and standards are adhered to;
- Suitable accounting policies are adopted and consistently applied;
- The going concern basis is used, unless it is inappropriate to presume that the Group will continue in business; and
- Judgments and estimates made are reasonable and prudent.

**8. DIRECTORS INTERESTS IN SHARES**

The interest of the Directors in the issued share capital of the company as recorded in the register of Directors as at 31st December 2018 was as follows:

	Director	Direct shareholding of ordinary shares of 50kobo each	Indirect shareholding	Total	Percentage
1	Dr. Timothy Farinre - Group Chairman	Nil	100,357,894	100,357,894	3.411%
2	Late Engr. (Mrs.) Florence Seriki, MFR-Former GMD/CEO	1,552,315,285	165,717,635	1,718,032,899	58.40%
3	Professor Ayodele Francis Ogunye	1,000,000	Nil	1,000,000	0.034%
4	Otunba (Dr.) Solomon Ayodele Oladunni	3,101,478	Nil	3,101,478	0.105%
5	Chief (Senator) Kolawole Bajomo, MNI, FCA	100,000	Nil	00,000	0.003%
6	Alh. Dasuki Nakande	Nil	Nil		
7	Mr. Yemi Ogundipe, FCA GMD/CEO	Nil	Nil		

**9. SHAREHOLDING ANALYSIS**

The company has an authorized share capital of N3, 500,000,000.00 divided into 7,000,000,000 ordinary shares of 50 kobo each. The issued share capital is N1, 470,895,000.00 divided into 2,941,789,472 ordinary shares of 50 kobo each.

According to the Register of members, only three (3) members, namely, Mrs. Florence Seriki, Main Street Bank Plc. and Portables Investments Ltd. held more than 5% of the issued share capital as at 31st December 2017.

S/N	Names of shareholders	Units	Percent
1	Late Engr. Mrs. Florence Seriki	1,552,315,285	52.77%
2	Main Street Bank Plc	178,285,185	6.06%
3	Portables Investments Ltd	164,639,635	5.60%

The range analysis of the shareholding of the company is as shown in the table below:

Range	No. of Holders	Percent	Units	Percent
1 - 1,000	434	7.92%	286,348	0.01%
1,001 - 10,000	1,790	32.66%	10,065,876	0.34%
10,001 - 100,000	2,346	42.80%	107,208,495	3.64%
100,001 - 500,000	669	12.21%	158,070,842	5.37%
500,001 - 1,000,000	113	2.06%	93,911,413	3.19%
1,000,001 - 5,000,000	101	1.84%	253,700,254	8.62%
5,000,001 - 10,000,000	17	0.31%	135,346,918	4.60%
10,000,001 - 100,000,000	7	0.13%	187,601,327	6.38%
100,000,001 - 10,000,000,000	4	0.07%	1,995,597,999	67.84%
Total	5,481	100.00%	2,941,789,472	100.00%

## 10. EMPLOYMENT AND EMPLOYEES

### a) Employment of physically challenged persons

It is the policy of the Group that there should be no discrimination in considering applications for employment including those from disabled persons. All employees are given equal opportunities for self-development. As at December 31, 2018, however, no disabled person was in the employment of the Group.

### b) Health, Safety and Welfare of employees

Health and safety regulations are in force within the Group's premises and employees are aware of the existing regulations. The Group provides subsidy to all levels of employees, transportation, housing, etc.

### c) Employee involvement and training

The Group is committed to keeping employees informed as much as possible regarding the Group's performance and progress and seeking their views whenever practicable on matters which particularly affect them as employees

Management, professional and technical expertise are the Group's major assets and investment in their further development continues. Training is carried out at various levels through both in-house and external courses.

## 11. POST BALANCE SHEET EVENTS

There are no post balance sheet events, which could have had material effect on the state of affairs of the Group, and the profit for the year ended, 31st, December 2018 which have not been adequately provided for or disclosed.

## 12. GOING CONCERN STATUS

The Group incurred a net loss of N1,154.27 million for the year ended 31 December 2018 (2017: net loss of N1,380.61 million) and interest cover was also negative 0.04 (2017: 0.34). These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

The Management and Board have made adequate plans to reverse the trend by breaking new grounds in products and market development.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. The basis presumes that the Group will be able to penetrate the new markets and sell the new products and that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

## 13. AUDIT COMMITTEE

Pursuant to Section 359 (3) of the Companies and Allied Matters Act CAP.C20, LFN 2004, the company has in place an Audit Committee comprising of three shareholders and three Directors' representatives appointed at the last AGM as follows:

- Mr Basil Ubah (Chairman)
- Mr Peter Eyanuku
- Chuks Nwosa Ozadinizu
- Alhaji Dasuki Nakande
- Otunba (Dr.) Solomon Ayodele Oladunni
- Professor Ayodele Francis Ogunye

## 14. AUDITORS

The firm of Chartered Accountants, Messrs Olaolu Olabimtan & Co. (Chartered Accountants) was engaged to conduct the 2016 financial audit and in accordance with Section 357 (2) of the Companies and Allied Matters Act CAP. C20, LFN. 2004, they have indicated their willingness to continue in office as auditors.

A resolution will be proposed to re-appoint the auditors at the Annual General Meeting.

## 15. COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

As a company listed on the Nigerian Stock Exchange, Omatek complies with the provisions of the Code of best practice on Corporate Governance for public quoted companies. In its bid to maintain its strong pioneer status and transparency, the Group has adopted the Corporate Governance Code of the Securities and Exchange Commission and strives to maintain compliance with the rules of the Nigerian Stock Exchange, in addition to the relevant laws and guidelines operating in Nigeria.

BY ORDER OF THE BOARD



Femi David Ikotun Esq.,  
Ikotun Temowo & Co  
Company Secretary

Dated this 18th July 2019

## REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF OMATEK VENTURES PLC

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act (CAP20) Laws of the Federation of Nigeria 2004, the members of the Statutory Audit Committee of Omatek Ventures Plc hereby report as follows:

We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act (CAP20) Laws of the Federation of Nigeria, 2004 and we acknowledge the cooperation of management and staff in the conduct of their responsibilities.

We confirm that:

The accounting and reporting policies of the company are consistent with legal requirements and ethical practices.

The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal controls systems.

We have considered the independent auditors' post-audit report in respect of year ended 31 December, 2017 and management responses thereon, and are satisfied thereto."

Members of the Audit Committee are:

- |  |   |
|--|---|
| 1) Mr. Basil Ubah                        | - Chairman & Shareholders' representative |
| 2) Mr. Peter Eyanuku                     | - Shareholders' representative            |
| 3) Chucks Nwosa Ozadinizu                | - Shareholders' representative            |
| 4) Alhaji Dasuki Nakande                 | - Non-Executive Director                  |
| 5) Otunba (Dr.) Solomon Ayodele Oladunni | - Non-Executive Director                  |
| 6) Professor Ayodele Francis Ogunye      | - Non-Executive Director                  |

Dated this 18th July 2019



Mr. Basil Ubah  
Chairman Audit Committee

Omatek Ventures Plc obtained a waiver from the Financial Reporting Council for the Chairman to sign this report without an FRC number, pending compliance with registration requirement.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OMATEK VENTURES PLC

### Our Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Omatek Ventures PLC ("the company") and its subsidiaries (together "the group") as at 31 December 2018, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C 20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act 2011.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 27 to the financial statements which indicates that the Group incurred a net loss of N1,154.27 million for the year ended 31 December 2018 (2017: N1, 380.61 million) and interest cover was also negative 0.04 (2017: -0.34).

These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

### What We Have Audited

Omatek Ventures PLC's consolidated and separate consolidated financial statements comprise:

- The consolidated and separate statements of financial position as at 31st December 2018
- The consolidated and separate statements of profit or loss account and statement of comprehensive income for the year then ended.
- The consolidated and separate statements of changes in equity for the year ended
- The consolidated and separate statement of cash flows for the year then ended and
- The notes to consolidated and separate financial statements, which include a summary of significant accounting policies.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated and separate financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Key Audit matter

### Going Concern

We focused on this area due to the death of the founding Group Managing Director and the subsequent attempt by Bank of Industry to place the company under receivership. The matter has remained unresolved in the last two years.

This matter is considered a key audit matter in the context of our audit of the financial statements as a whole.

### Other Information

#### The directors are responsible for the other information.

The other information include Corporate governance report, Internal control and risk management systems in relation to the financial reporting, Statement of directors' responsibilities, Report of the audit committee, Regulatory requirements under IFRS regime, Operational risk management, Value added statements, Five year financial summary, and Share Capitalisation history which we obtained prior to the date of this auditor's report, and the Chairman's statement, Corporate information, Products and services and Corporate directory which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated and separate 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.

When we read the other sections of the Omatek PLC's 2018 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. Responsibilities of the directors and those charged with governance for the financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### Auditor's responsibilities for the audit of the consolidated and separate financial 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.

## How our audit addressed the key audit matter

- We assessed the plans by management to resolve the issues with Bank of Industry.
- We reviewed the new business plan drawn up by the current management, by way of bringing on board venture capital investors for reasonableness and viability.
- We assessed the readiness of the directors and management to continue to support the company.



Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. 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 this financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

**We also:**

- Identified and assessed the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained 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.
- Obtained an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concluded on the appropriateness of the 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 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 Group to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated 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 identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when,

in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

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 purpose of our audit.
- ii. The company has kept proper books of accounting records so far as appears from our examination of those books.
- iii. The Group's statement of financial position and statement of comprehensive income are in agreement with the books.



Hakeem Kareem FCA  
FRC/2013/ICAN/00000001751  
For: Olalolu Olabimtan & Co  
(Chartered Accountants)  
19th July, 2019  
Abuja, Nigeria.



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### OMATEK VENTURES PLC

#### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2018

		GROUP		COMPANY	
	NOTE	2018 N'M	2017 N'M	2018 N'M	2017 N'M
<b>ASSETS</b>					
PROPERTY, PLANT & EQUIPMENT	8	1,711	1,753	1,703	1,745
INVESTMENT PROPERTY	9	2,200	2,200	2,200	2,200
INVESTMENTS	10	132	132	(2,101)	(2,022)
DEFERRED TAX ASSET	11	70	69	-	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>4,113</b>	<b>4,154</b>	<b>1,801</b>	<b>1,923</b>
INVENTORIES	12	620	574		
TRADE & OTHER RECEIVABLES	13	108	109	3,487	3,487
PREPAYMENTS	14	-	-	-	-
CASH & CASH EQUIVALENTS	15	38	43		
<b>TOTAL CURRENT ASSETS</b>		<b>766</b>	<b>727</b>	<b>3,487</b>	<b>3,487</b>
<b>TOTAL ASSETS</b>		<b>4,879</b>	<b>4,881</b>	<b>5,288</b>	<b>5,410</b>
<b>EQUITY</b>					
SHARE CAPITAL	16	1,471	1,471	1,471	1,471
SHARE PREMIUM	17	4,376	4,376	4,376	4,376
RETAINED EARNINGS		(9,543)	(8,497)	(9,509)	(8,463)
REVALUATION RESERVE	18	615	615	615	615
NON CONTROLLING INTEREST		(2,883)	(2,768)		
<b>TOTAL EQUITY</b>		<b>(5,964)</b>	<b>(4,803)</b>	<b>(3,046)</b>	<b>(2,001)</b>
<b>LIABILITIES</b>					
LONG TERM LOANS & BORROWINGS	19	3,909	3,909	3,909	3,909
DEFERRED TAX LIABILITY	11	31	30	-	-
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>3,940</b>	<b>3,940</b>	<b>3,909</b>	<b>3,909</b>
BANK OVERDRAFT	15	299	293		
TRADE & OTHER PAYABLES	20	5,918	4,773	4,357	3,437
ACCRUED TAX	11	209	201	69	65
SHORT TERM LOANS & BORROWINGS	26	477	477		
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,903</b>	<b>5,744</b>	<b>4,425</b>	<b>3,502</b>
<b>TOTAL LIABILITIES</b>		<b>10,843</b>	<b>9,684</b>	<b>8,335</b>	<b>7,411</b>
<b>TOTAL EQUITIES &amp; LIABILITIES</b>		<b>4,879</b>	<b>4,881</b>	<b>5,288</b>	<b>5,410</b>

The financial statements were approved by the Board of Directors on 18th July, 2019 and signed on its behalf by:



**Dr. Timothy Farinre**  
Group Chairman  
FRC/2014/COREN/0000007564



**Mr. Anthony O. Omhenke**  
Chief Finance Officer  
FRC/2014/ICAN/00000008200



**Mr. Yemi Ogundipe, FCA**  
Group Managing Director  
FRC/2013/ICAN/00000001615

**THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS**

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### OMATEK VENTURES PLC

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2017

		GROUP		COMPANY	
	NOTE	2018 N'M	2017 N'M	2018 N'M	2017 N'M
REVENUE	21	18	116	(80)	(223)
COST OF SALES		(5)	(67)	-	-
GROSS PROFIT		<u>13</u>	<u>49</u>	<u>(80)</u>	<u>(223)</u>
SELLING AND DISTRIBUTION EXPENSES		(2)	(1)		
ADMINISTRATION EXPENSES	24	<u>(59)</u>	<u>(401)</u>	<u>(43)</u>	<u>(103)</u>
RESULTS FROM OPERATING ACTIVITIES		(48)	(353)	(122)	(326)
FINANCE COST		<u>(1,106)</u>	<u>(1,027)</u>	<u>(919)</u>	<u>(811)</u>
PROFIT/(LOSS) BEFORE TAX		(1,154)	(1,380)	(1,042)	(1,138)
TAX EXPENSE	11	<u>(7)</u>	<u>(4)</u>	<u>(4)</u>	0
PROFIT/(LOSS) ON CONTINUING OPERATIONS		<u>(1,161)</u>	<u>(1,384)</u>	<u>(1,045)</u>	<u>(1,138)</u>
OTHER COMPREHENSIVE INCOME					
OTHER INCOME	22	-	0	-	-
OTHER EXPENSE	23	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>0</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>(1,161)</u>	<u>(1,384)</u>	<u>(1,045)</u>	<u>(1,138)</u>
PROFIT ATTRIBUTABLE TO THE GROUP		(1,045)	(1,138)		
NON CONTROLLING INTEREST		(116)	(247)		
		<u>(1,161)</u>	<u>(1,384)</u>		
BASIC EARNINGS/(LOSS) PER SHARE (NGN)	25	<u>(0.39)</u>	<u>(0.47)</u>		
DILUTED EARNINGS/(LOSS) PER SHARE (NGN)		<u>(0.39)</u>	<u>(0.47)</u>		

THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

OMATEK VENTURES PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2018  
GROUP

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	REVALUATION RESERVE	NON CONTROLLING INTEREST	TOTAL EQUITY
	N'M	N'M	N'M	N'M	N'M	N'M
BALANCE AT 1ST JANUARY 2018	1,471	4,376	(8,497)	615	(2,768)	(4,803)
<b>TOTAL COMPREHENSIVE INCOME</b>						
PROFIT/(LOSS) ON CONTINUING OPERATIONS			(1,045)		(116)	(1,161)
<b>OTHER COMPREHENSIVE INCOME</b>						
OTHER INCOME			-		-	-
TOTAL OTHER COMPREHENSIVE INCOME			-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	(1,045)	-	(116)	(1,161)
BALANCE AT 31ST DECEMBER 2018	1,471	4,376	(9,543)	615	(2,884)	(5,964)

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	REVALUATION RESERVE	NON CONTROLLING INTEREST	TOTAL EQUITY
	N'M	N'M	N'M	N'M	N'M	N'M
BALANCE AT 1ST JANUARY 2017	1,471	4,376	(7,360)	615	(2,521)	(3,418)
<b>TOTAL COMPREHENSIVE INCOME</b>						
PROFIT/(LOSS) ON CONTINUING OPERATIONS			(1,138)		(247)	(1,384)
<b>OTHER COMPREHENSIVE INCOME</b>						
OTHER INCOME			0		0	0
OTHER EXPENSE						-
TOTAL OTHER COMPREHENSIVE INCOME			0	-	0	0
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	(1,138)	-	(247)	(1,384)
BALANCE AT 31ST DECEMBER 2017	1,471	4,376	(8,497)	615	(2,768)	(4,803)

**OMATEK VENTURES PLC**
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2018  
COMPANY**

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	REVALUATION RESERVE	TOTAL EQUITY
	N'M	N'M	N'M	N'M	N'M
BALANCE AT 1ST JANUARY 2018	1,471	4,376	(8,463)	615	(2,001)
<b>TOTAL COMPREHENSIVE INCOME</b>					
PROFIT/(LOSS) ON CONTINUING OPERATIONS			(1,045)		(1,045)
<b>OTHER COMPREHENSIVE INCOME</b>					
TOTAL OTHER COMPREHENSIVE INCOME					
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	(1,045)	-	(1,045)
BALANCE AT 31ST DECEMBER 2018	1,471	4,376	(9,509)	615	(3,046)

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	REVALUATION RESERVE	TOTAL EQUITY
	N'M	N'M	N'M	N'M	N'M
BALANCE AT 1ST JANUARY 2017	1,471	4,376	(4,925)	615	1,538
adjustment			(2,401)		(2,401)
<b>TOTAL COMPREHENSIVE INCOME</b>					
PROFIT/(LOSS) ON CONTINUING OPERATIONS			(1,138)		(1,138)
<b>OTHER COMPREHENSIVE INCOME</b>					
TOTAL OTHER COMPREHENSIVE INCOME			-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	(1,138)	-	(1,138)
BALANCE AT 31ST DECEMBER 2017	1,471	4,376	(8,463)	615	(2,001)

THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF CASH FLOWS

OMATEK VENTURES PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2018

	GROUP		COMPANY	
	JANUARY - DECEMBER	JANUARY - DECEMBER	JANUARY - DECEMBER	JANUARY - DECEMBER
NOTE	2018	2017	2018	2017
	N'M	N'M	N'M	N'M
CASH FLOWS FROM OPERATING ACTIVITIES				
PROFIT/(LOSS)	(1,161)	(1,384)	(1,045)	(1,138)
ADJUSTMENTS FOR :				
DEPRECIATION	42	44	42	42
RETAINED EARNINGS ADJUSTMENT	-	-	-	(2,401)
FINANCE COST	1,106	1,027	919	811
TAX	7	4	4	0
INVESTMENT( INCOME)/LOSSES			80	223
	<u>1,156</u>	<u>1,075</u>	<u>1,045</u>	<u>(1,325)</u>
CHANGES IN CURRENT ASSETS :				
INVENTORIES	(45)	(3)	-	-
TRADE & OTHER RECEIVABLES	1	161	-	(3,487)
PREPAYMENTS	-	4	-	4
	<u>(44)</u>	<u>162</u>	<u>-</u>	<u>(3,483)</u>
CHANGES IN CURRENT LIABILITIES :				
TRADE & OTHER PAYABLES	1,145	1,187	920	2,870
	<u>1,145</u>	<u>1,187</u>	<u>920</u>	<u>2,870</u>
NET CASH FROM OPERATING ACTIVITIES	<u>1,095</u>	<u>1,040</u>	<u>919</u>	<u>(3,075)</u>
CASHFLOW FROM INVESTING ACTIVITIES				
PURCHASE OF FIXED ASSET	(0)	(10)	-	-
INVESTMENT	-	-	-	(23)
NET CASH FROM INVESTING ACTIVITIES	<u>(0)</u>	<u>(10)</u>	<u>-</u>	<u>(23)</u>
CASHFLOW FROM FINANCING ACTIVITIES				
FINANCE COST	(1,106)	(1,027)	(919)	(811)
LOANS & BORROWINGS	-	-	-	3,909
CONSUMER FINANCE	-	(12)	-	-
NET CASH FROM FINANCING ACTIVITIES	<u>(1,106)</u>	<u>(1,040)</u>	<u>(919)</u>	<u>3,098</u>
NET CASH FLOW	<u>(11)</u>	<u>(10)</u>	<u>-</u>	<u>(0)</u>
CASH & CASH EQUIVALENTS @ 1ST JANUARY	(250)	(240)	(0)	-
CASH & CASH EQUIVALENTS @ END DECEMBER	<u>(261)</u>	<u>(250)</u>	<u>(0)</u>	<u>(0)</u>

THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**1 REPORTING ENTITY**

- (A) **LEGAL FORM** Omatek Ventures Plc is a public limited liability company incorporated in Nigeria under the Companies and Allied Matters Act of 1990.
- (B) **MAIN ACTIVITIES** Omatek is a holding company which holds shares in the manufacturing, distribution and sales and service of various types of computers and home entertainment products.
- (C) **REGISTERED ADDRESS** The registered address is 22c Ligali Ayorinde Street, Victoria Island, Lagos.
- (D) **BUSINESS ADDRESS** Plot 11 Kudirat Abiola Way Oregun Ikeja, Lagos.

**2 STATEMENT OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS**

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

The consolidated financial statements were authorised for issue by the Board of Directors on: 18th July, 2019.

**3 BASIS OF PREPARATION**

- (A) **BASIS OF MEASUREMENT** The financial statements have been prepared on the historical cost basis and all applicable standard issued by the Financial Reporting Council of Nigeria.

- (B) **FUNCTIONAL AND PRESENTATION CURRENCY** These financial statements are presented in Nigerian Naira, which is the Company's functional currency.

All financial information presented in naira has been rounded to nearest million.

- (C) **USE OF ESTIMATES JUDGEMENT** The preparation of the financial statements in conformity with IFRSs **AND** requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and into any future periods affected.

- (D) **ADOPTION OF NEW AND REVISED STANDARDS**

**i IFRS 15 Revenue from Contracts with Customers-effective on or after 1 January 2018**

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programme. The Company uses the impact assessment report to disclose the impact of IFRS 15, on the company.

The Company has initially applied IFRS 9 from 1 January 2018. A number of other new standards are also effective from 1 January 2018 but they do not have a material effect on the Company's financial statements.

**ii IFRS 9 Financial Instrument-effective on or after 1 January 2018**

The effect of initially applying this standard is mainly attributed to an increase in impairment losses recognised on financial assets.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.



**a CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL.

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual

cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments.

**b IMPAIRMENT OF FINANCIAL ASSETS**

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

Under IFRS 9, credit losses are recognised earlier than under IAS 39 (see Note 5D).

**(E) STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

Standard	Title/Contents	Effective Year
IFRS 16	Leases	1-Jan-2019
IFRS 17	Insurance Contracts	1-Jan-2021

Standards which were issued but will become effective after 2018 will not have material impact on the Company.

**4 BASIS OF CONSOLIDATION**

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements combine the financial statements of Omatek Ventures PLC, Omatek Ventures Distribution Limited, Omatek Engineering Services Limited and Omatek Computers Limited.

**5 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

**(A) FOREIGN CURRENCY**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency

at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

**(B) PROPERTY,  
PLANT &  
EQUIPMENT**

**(I) RECOGNITION  
AND MEASUREMENT**

Items of property, plant and equipment are measured at cost/revalued amounts less accumulated depreciation and accumulated impairment losses.

The building at Plot 11 Kudirat Abiola Way was valued on 2nd January 2011 as part of the IFRS Implementation Project by Adeniji Adele & Associates - Consulting Estate Surveyors & Valuers.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

**(ii) DEPRECIATION**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold Building	50 Years
Motor Vehicles	5 Years
Furniture, Fixtures & Fittings	10 Years
Office Equipment	10 Years
Plant & Machinery	5 Years
Computer Equipment	5 Years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(C) INVENTORIES**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## (D) IMPAIRMENT

Policy applicable from 1 January 2018

### (I) FINANCIAL INSTRUMENTS AND CONTRACT ASSETS

The Company recognises loss allowances for Expected Credit Losses ("ECL") on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per [Moody's Rating Agency] or BBB-or higher per [Standard & Poor's Rating Agency].

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

**MEASUREMENT OF ECLS**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

**CREDIT-IMPAIRED FINANCIAL ASSETS**

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

**PRESENTATION OF ALLOWANCE FOR ECL IN THE STATEMENT OF FINANCIAL POSITION**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

**WRITE-OFF**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer would enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;

- the disappearance of an active market for a security because of financial difficulties; or
- observable data indicating that there was a measurable decrease in the expected cash flows from a group of financial assets.

**(E) EMPLOYEE BENEFITS**
**(I) DEFINED CONTRIBUTION PLANS**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension fund administrators (PFA) on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

The contributions are recognised as employee benefit expense in comprehensive income statement when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(ii) TERMINATION BENEFITS**

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

**(F) REVENUES**
**(I) GOODS SOLD**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

**(ii) RENTAL INCOME**

Rental income from property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

**(G) INCOME TAX**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## **(H) SEGMENT REPORTING**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

## **6 FINANCIAL RISK MANAGEMENT**

### **(A) OVERVIEW**

The Company has exposure to the following risks from its use of financial instruments:

Credit Risk

Liquidity Risk

Market Risk

Operational Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for





**OMATEK VENTURES PLC**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

	<b>YEAR ENDED 31/12/18</b>				
	<b>MANUFACTURING</b>	<b>TRADING</b>	<b>ENGINEERING</b>	<b>OTHER</b>	<b>TOTAL</b>
	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>
<b>REVENUE</b>					
EXTERNAL CUSTOMERS	-	-	18	-	18
OTHER BUSINESS SEGMENT	-	-	-	-	-
<b>TOTAL REVENUE</b>	-	-	18	-	18
<b>COST OF SALES</b>	-	-	(5)	-	(5)
<b>GROSS PROFIT</b>	-	-	13	-	13
<b>OTHER INCOME</b>	-	-	0	(80)	(80)
<b>FAIR VALUE GAIN</b>	-	-	-	-	-
<b>SELLING AND DISTRIBUTION EXPENSES</b>	-	(0)	(2)	-	(2)
<b>ADMINISTRATION EXPENSES</b>	(11)	21	(26)	(43)	(59)
<b>OTHER EXPENSES</b>	-	-	-	-	-
<b>RESULT FROM OPERATIONS</b>	(11)	21	(15)	(122)	(127)
<b>FINANCE COST</b>	(128)	(59)	-	(919)	(1,106)
<b>NET PROFIT/(LOSS) BEFORE TAX</b>	(139)	(38)	(15)	(1,042)	(1,234)
<b>TAX EXPENSE</b>	(1)	(3)	0	(4)	(7)
<b>NET PROFIT/(LOSS) AFTER TAX</b>	(140)	(40)	(15)	(1,045)	(1,241)
<b>ASSETS</b>	694	97	77	5,288	6,156
<b>LIABILITIES</b>	(1,431)	(4,289)	(33)	(4,425)	(10,178)
<b>NET ASSETS</b>	(737)	(4,192)	43	863	(4,023)

	<b>YEAR ENDED 31/12/17</b>				
	<b>MANUFACTURING</b>	<b>TRADING</b>	<b>ENGINEERING</b>	<b>OTHER</b>	<b>TOTAL</b>
	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>
<b>REVENUE</b>					
EXTERNAL CUSTOMERS	-	113	2	-	116
OTHER BUSINESS SEGMENT	-	-	-	-	-
<b>TOTAL REVENUE</b>	-	113	2	-	116
<b>COST OF SALES</b>	-	(64)	(2)	-	(66)
<b>GROSS PROFIT</b>	-	49	(0)	-	49
<b>OTHER INCOME</b>	-	0	-	(223)	(223)
<b>SELLING AND DISTRIBUTION EXPENSES</b>	-	(1)	-	-	(1)
<b>ADMINISTRATION EXPENSES</b>	(2)	(290)	(6)	(103)	(402)
<b>OTHER EXPENSES</b>	-	-	-	-	-
<b>RESULT FROM OPERATIONS</b>	(2)	(242)	(6)	(326)	(577)
<b>FINANCE COST</b>	(128)	(88)	-	(811)	(1,027)
<b>NET PROFIT/(LOSS) BEFORE TAX</b>	(131)	(329)	(6)	(1,138)	(1,604)
<b>TAX EXPENSE</b>	(1)	(3)	-	0	(4)
<b>NET PROFIT/(LOSS) AFTER TAX</b>	(132)	(332)	(6)	(1,138)	(1,608)
<b>ASSETS</b>	704	113	66	5,410	6,292
<b>LIABILITIES</b>	(1,301)	(4,268)	(7)	(3,502)	(9,078)
<b>NET ASSETS</b>	(597)	(4,156)	59	1,908	(2,786)

# 8 PROPERTY, PLANT & EQUIPMENT - GROUP

	LEASEHOLD BUILDING N'M	PLANT & MACHINERY N'M	FIXTURES & FITTINGS N'M	OFFICE EQUIPMENT N'M	COMPUTER EQUIPMENT N'M	MOTOR VEHICLE N'M	RESOURCES CENTER N'M	QUALITY TEST EQUIPMENT N'M	TOTAL N'M
<b>COST/VALUATION</b>									
BALANCE AS AT 1ST JANUARY 2018	2,130	28	41	26	12	196	1	0	2,435
UNREALISED FAIR VALUE GAIN	-	-	-	-	-	-	-	-	-
ADDITIONS	0	-	-	0	-	-	-	-	0
BALANCE AS AT 31ST DECEMBER 2018	2,131	28	41	26	12	196	1	0	2,435
<b>DEPRECIATION</b>									
BALANCE AS AT 1ST JANUARY 2018	385	24	36	26	12	196	1	0	681
CHARGE FOR THE YEAR	42	-	-	0	-	-	-	-	42
ADJUSTMENT	-	-	-	-	-	-	-	-	-
BALANCE AS AT 31ST DECEMBER 2018	428	24	36	26	12	196	1	0	724
<b>CARRYING AMOUNT</b>									
AS AT 31ST DECEMBER 2018	1,703	3	5	0	0	0	0	0	1,711
AS AT 31ST DECEMBER 2017	1,745	3	5	0	0	0	0	0	1,753

# PROPERTY, PLANT & EQUIPMENT - COMPANY

	LEASEHOLD BUILDING N'M	TOTAL N'M
<b>COST/VALUATION</b>		
BALANCE AS AT 1ST JANUARY 2018	2,100	2,100
UNREALISED FAIR VALUE GAIN	-	-
ADDITIONS	-	-
BALANCE AS AT 31ST DECEMBER 2018	2,100	2,100
<b>DEPRECIATION</b>		
BALANCE AS AT 1ST JANUARY 2018	355	355
CHARGE FOR THE YEAR	42	42
ADJUSTMENT	-	-
BALANCE AS AT 31ST DECEMBER 2018	397	355
<b>CARRYING AMOUNT</b>		
AS AT 31ST DECEMBER 2018	1,703	1,745
AS AT 31ST DECEMBER 2017	1,745	1,745

# 9 INVESTMENT PROPERTY

	GROUP		COMPANY		TOTAL
	LEASEHOLD BUILDING N'M	TOTAL N'M	LEASEHOLD BUILDING N'M	TOTAL N'M	
<b>COST/VALUATION</b>					
BALANCE AS AT 1ST JANUARY 2018	2,200	2,200	2,200	2,200	
FAIR VALUE GAIN	-	-	-	-	
DISPOSAL	-	-	-	-	
ADJUSTMENT	-	-	-	-	
BALANCE AS AT 31ST DECEMBER 2018	2,200	2,200	2,200	2,200	
<b>CARRYING AMOUNT</b>					
AS AT 31ST DECEMBER 2018	2,200	2,200	2,200	2,200	
AS AT 31ST DECEMBER 2017	2,200	2,200	2,200	2,200	

	GROUP		COMPANY	
	31ST DECEMBER 2018	31ST DECEMBER 2017	31ST DECEMBER 2018	31ST DECEMBER 2017
	N'M	N'M	N'M	N'M
<b>10 INVESTMENTS</b>				
OMATEK COMPUTERS GHANA	132	132	132	132
OMATEK VENTURES DISTRIBUTION LIMITED			(2,301)	(2,280)
OMATEK COMPUTERS NIGERIA			49	105
OMATEK ENGINEERING SERVICES LIMITED			18	22
	<u>132</u>	<u>132</u>	<u>(2,101)</u>	<u>(2,022)</u>
<b>11 TAX</b>				
	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M
<b>TAX EXPENSE</b>				
COMPANIES INCOME TAX	-	-		
EDUCATION TAX	-	-		
MINIMUM TAX	7	4	4	(0)
DEFERRED TAX	(0)	(0)		
DEFERRED TAX ON CONSOLIDATION	-	-		
	<u>7</u>	<u>4</u>	<u>4</u>	<u>(0)</u>
<b>ACCRUED TAX</b>				
BALANCE BROUGHT FORWARD	201	197	65	65
CURRENT CHARGE	7	4	4	(0)
PAYMENTS DURING THE PERIOD	-	-		
BALANCE CARRIED FORWARD	<u>209</u>	<u>201</u>	<u>69</u>	<u>65</u>
<b>DEFERRED TAX ASSET</b>				
BALANCE BROUGHT FORWARD	69	69		-
CURRENT PROVISION	1	0		
WHT				
BALANCE CARRIED FORWARD	<u>70</u>	<u>69</u>	<u>-</u>	<u>-</u>
<b>DEFERRED TAX LIABILITY</b>				
BALANCE BROUGHT FORWARD	30	30		-
CURRENT PROVISION	1	-		
BALANCE CARRIED FORWARD	<u>31</u>	<u>30</u>	<u>-</u>	<u>-</u>
NET DEFERRED TAX ASSET	<u>39</u>	<u>39</u>		
<b>12 INVENTORIES</b>				
	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M
FINISHED GOODS	594	538		
RAW MATERIALS	37	37		
PROVISION	(11)	-		
	<u>620</u>	<u>574</u>	<u>-</u>	<u>-</u>

	GROUP		COMPANY	
	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M
<b>13 TRADE &amp; OTHER RECEIVABLES</b>				
TRADE RECEIVABLES	229	232		
STAFF RECEIVABLES	0	0		
INTERCOMPANY	-	-	3,487	3,487
OTHER RECEIVABLES	84	106		
PROVISION FOR DOUBTFUL TRADE RECEIVABLES	(206)	(228)		
	<u>108</u>	<u>109</u>	<u>3,487</u>	<u>3,487</u>
<b>14 PREPAYMENTS</b>				
	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M
PREPAID RENT	-	-	-	-
PREPAID INSURANCE	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>15 CASH &amp; CASH EQUIVALENTS</b>				
	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M
BANK BALANCES	38	43	-	-
CASH	0	-	-	-
CASH & CASH EQUIVALENTS - STATEMENT OF FINANCIAL POSITION	38	43	-	-
BANK OVERDRAFT	(299)	(293)	-	-
CASH & CASH EQUIVALENTS - STATEMENT OF CASH FLOWS	<u>(261)</u>	<u>(250)</u>	<u>-</u>	<u>-</u>

	GROUP		COMPANY	
	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M
<b>16 SHARE CAPITAL</b>				
AUTHORISED 7,000,000,000 ORDINARY SHARES @ NGN0.50	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
ISSUED 2,941,789,472 ORDINARY SHARES @NGN0.50	<u>1,471</u>	<u>1,471</u>	<u>1,471</u>	<u>1,471</u>
<b>17 SHARE PREMIUM</b>	<u>4,376</u>	<u>4,376</u>	<u>4,376</u>	<u>4,376</u>
<b>18 REVALUATION RESERVE</b>	The factory building at Plot 11 Kudirat Abiola Way was valued on 31st December 2010 in accordance with IFRS by Adeniji Adele & Associates - Consulting Estate Surveyors & Valuers.			
<b>19 LONG TERM LOANS &amp; BORROWINGS</b>	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M
BANK OF INDUSTRY WORKING CAPITAL LOAN	2,060	2,060	2,060	2,060
BANK OF INDUSTRY TERM LOAN	1,849	1,849	1,849	1,849
	<u>3,909</u>	<u>3,909</u>	<u>3,909</u>	<u>3,909</u>

	GROUP		COMPANY	
	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M
<b>20 TRADE &amp; OTHER PAYABLES</b>				
TRADE PAYABLES	41	41		
STAFF PAYABLES	27	32		
ACCRUED EXPENSES	4,999	3,890	4,140	3,220
INTERCOMPANY	292	231	-	-
OTHER PAYABLES	559	579	217	217
	<u>5,918</u>	<u>4,773</u>	<u>4,357</u>	<u>3,437</u>
<b>21 REVENUE</b>				
	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M
SALE OF GOODS TO 3RD PARTIES.	18	116	-	-
SHARE OF INCOME/(LOSS) OMATEK VENTURES DISTRIBUTION LIMITED			(20)	(169)
SHARE OF INCOME/(LOSS) OMATEK COMPUTERS NIGERIA			(56)	(53)
SHARE OF INCOME/(LOSS) OMATEK ENGINEERING SERVICES LIMITED			(3)	(1)
	<u>18</u>	<u>116</u>	<u>(80)</u>	<u>(223)</u>
<b>22 OTHER INCOME</b>				
	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M
PROFIT ON SALE OF FIXED ASSETS	-	-	-	-
RENTAL INCOME	-	-	-	-
AFTER SALES SERVICE	-	-	-	-
OTHERS	0	0	-	-
	<u>0</u>	<u>0</u>	<u>-</u>	<u>-</u>
<b>23 OTHER EXPENSE</b>				
	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M
EXCHANGE LOSS		<u>-</u>		

	GROUP		COMPANY	
	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2017 N'M
<b>24 ADMINISTRATION EXPENSES</b>				
INCLUDED IN ADMINISTRATION EXPENSES ARE:				
DEPRECIATION	42	44	42	42
AUDITORS FEES	4	3	1	1
	<u>46</u>	<u>47</u>	<u>43</u>	<u>43</u>
<b>25 EARNINGS PER SHARE - BASIC &amp; DILUTED</b>	<b>31ST DECEMBER 2018 N'M</b>	<b>31ST DECEMBER 2017 N'M</b>		
EARNINGS PER SHARE IS CALCULATED BY DIVIDING THE NET PROFIT AFTER TAX ATTRIBUTABLE TO EQUITY HOLDERS BY THE WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES IN ISSUE DURING THE				
PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS N'M	<u>(1,161)</u>	<u>(1,384)</u>		
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	<u>2,942</u>	<u>2,942</u>		
EARNINGS/(LOSS) PER SHARE (NGN)	<u>(0)</u>	<u>(0)</u>		
<b>26 SHORT TERM LOANS &amp; BORROWINGS</b>	<b>31ST DECEMBER 2018 N'M</b>	<b>31ST DECEMBER 2017 N'M</b>		
SHORT TERM LOAN OPENING BALANCE	477	489		
NET MOVEMENT IN THE YEAR	<u>-</u>	<u>(12)</u>		
	<u>477</u>	<u>477</u>		

## 27 GOING CONCERN

The Group incurred a net loss of N1, 154 million for the year ended 31 December 2018 (2017 : net loss of N1,397 million) and interest cover was also negative 0.04 (2017 : 0.36). These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

The Management and Board have made adequate plans to reverse the trend by breaking new grounds in products and market development.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. The basis presumes that the Group will be able to penetrate the new markets and sell the new products and that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

**OMATEK VENTURES PLC**
**STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31ST DECEMBER 2018**

GROUP	2018		2017	
	N'M	%	N'M	%
REVENUE	18		116	
BOUGHT IN GOODS & SERVICES	(24)		(425)	
VALUE ADDED	<u>(6)</u>		<u>(309)</u>	
APPLIED AS FOLLOWS				
TO PAY EMPLOYEES	66	-1174%	87	-28%
TO PAY GOVERNMENT	7	-126.0%	4	-1%
TO PAY PROVIDERS OF LOAN CAPITAL	1,106	-19768%	1,027	-332%
NON CONTROLLING INTERESTS	(116)	2073%	(247)	80%
RETAINED FOR GROWTH				
DEPRECIATION	42	-754%	44	-14%
RETAINED EARNINGS	(1,045)	18675%	(1,138)	368%
	<u>(6)</u>	100%	<u>(309)</u>	100%



**OMATEK VENTURES PLC**
**STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31ST DECEMBER 2017**

COMPANY	2018		2017	
	N'M	%	N'M	%
REVENUE	(645)		(456)	
BOUGHT IN GOODS & SERVICES	18		22	
VALUE ADDED	<u>(663)</u>		<u>(478)</u>	
<b>APPLIED AS FOLLOWS</b>				
GOVERNMENT	7	-1.1%	7	-1.5%
EMPLOYEES	43	-6%	36	-7.5%
PROVIDERS OF FINANCE	-		-	
RETAINED FOR GROWTH				
DEPRECIATION	42	-6.3%	42	-8.8%
RETAINED EARNINGS	(756)	113.9%	(563)	117.8%
	<u>(663)</u>	100%	<u>(478)</u>	100%

**OMATEK VENTURES PLC**  
**FIVE YEAR FINANCIAL SUMMARY**

**GROUP**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>
<b>PROFIT OR LOSS</b>					
<b>TURNOVER</b>	18	116	310	1,145	1,024
<b>PROFIT AFTER TAX</b>	(1,161)	(1,384)	(4,409)	(892)	(342)

**STATEMENT OF FINANCIAL POSITION**

<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	1,711	1,753	1,830	1,871	1,915
<b>OTHER NON CURRENT ASSETS</b>	2,401	2,401	2,399	3,199	3,198
<b>CURRENT ASSETS</b>	766	727	675	2,887	3,392
	4,879	4,881	4,904	7,957	8,505

**FINANCED BY**

<b>SHARE CAPITAL</b>	1,471	1,471	1,471	1,471	1,471
<b>SHARE PREMIUM</b>	4,376	4,376	4,376	4,376	4,376
<b>RETAINED EARNINGS</b>	(9,543)	(8,497)	(6,784)	(4,495)	(4,037)
<b>REVALUATION RESERVE</b>	615	615	615	615	615
<b>NON CONTROLLING INTEREST</b>	(2,884)	(2,768)	(2,030)	90	459
<b>NON CURRENT LIABILITIES</b>	3,940	3,940	3,940	4,043	3,946
<b>CURRENT LIABILITIES</b>	6,903	5,744	3,317	1,857	1,675
	4,879	4,881	4,904	7,957	8,505

**OMATEK VENTURES PLC  
FIVE YEAR FINANCIAL SUMMARY**
**COMPANY**

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>
<b>PROFIT OR LOSS</b>					
<b>REVENUE</b>	(80)	(223)	(1,876)	(358)	161
<b>PROFIT AFTER TAX</b>	(1,045)	(1,138)	(2,298)	(454)	72

**STATEMENT OF FINANCIAL POSITION**

<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	1,703	1,745	1,829	1,871	1,913
<b>OTHER NON CURRENT ASSETS</b>	99	178	834	2,711	3,069
<b>CURRENT ASSETS</b>	3,487	3,487	10	8	15
	5,288	5,410	2,673	4,589	4,997

**FINANCED BY**

<b>REVALUATION RESERVE</b>	615	615	615	615	615
<b>SHARE PREMIUM</b>	4,376	4,376	4,376	4,376	4,376
<b>SHARE CAPITAL</b>	1,471	1,471	1,471	1,471	1,471
<b>RETAINED EARNINGS</b>	(9,509)	(8,463)	(4,362)	(2,064)	(1,610)
<b>NON CURRENT LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>	4,425	3,502	573	191	144
	1,379	1,501	2,673	4,589	4,997



## **2019 AUDITED FINANCIAL STATEMENTS**

## 1. BOARD OF DIRECTORS

NAME	DESIGNATION
Dr. Timothy Farinre	Group Chairman Omatek Ventures Plc., Director OVDL, OCL
Mr. Yemi Ogundipe, FCA	GMD/CEO Omatek Ventures Plc., Director OVDL, OCL, OESL
Professor Ayodele Francis Ogunye	Director Omatek Ventures Plc., OVDL
Otunba (Dr.) Solomon Ayodele Oladuni	Director Omatek Ventures Plc., OVDL Chairman
Chief (Senator) Kolawole Bajomo, MNI, FCA	Director Omatek Ventures Plc., Chairman OVDL
Alh. Dasuki Nakande	Director Omatek Ventures Plc., OCL

OVDL - Omatek Ventures Distribution Limited

OCL - Omatek Computers Limited

OESL - Omatek Engineering Services Limited

## 2. COMPANY SECRETARY

Femi David Ikotun Esq.,  
Ikotun Temowo & Co  
Suite 201, 2nd Floor, Copper House  
Plot 4, Algiers Street, Zone 5, Wuse, Abuja

## 3. CORPORATE HEADQUARTERS

Plot 11 Kudirat Abiola Way  
Oregun Ikeja, Lagos, Nigeria.

## 4. BANKERS

Standard Chartered Bank Limited  
Victoria Island, Lagos

First Bank of Nigeria Plc.  
Victoria Island, Lagos.

Bank of Industry.  
Marina, Lagos

## 5. AUDITORS

Olaolu Olabimtan & Co (Chartered Accountants)  
Suites 68 & 69 Nandu Plaza  
Plot 566 Ndola Crescent, Wuse Zone 5,  
Abuja - Federal Capital Territory, Nigeria.

**OMATEK VENTURES PLC**
**CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST DECEMBER 2019**
**OPERATIONAL HIGHLIGHTS**

	GROUP			COMPANY	
	2019	2018		2019	2018
	N'M	N'M		N'M	N'M
Revenue	1.04	18			
Other Income				(100.04)	(80)
Total Comprehensive Income	(1,364)	(1,161)		(1,231)	(1,045)
Total Non Current Assets	4,048	4,113		1,659	1,801
Total Equity	(7,328)	(5,964)		(4,271)	(3,046)
Earnings/(Loss) Per Share (NGN)	(0.46)	(0.39)			

The directors submit their report together with the financial statements of Omatek Ventures Plc. for the year ended 31st December 2016.

# **1. LEGAL FORM**

The Group which commenced operation in Nigeria in 1988, was incorporated as a limited liability Company in Nigeria in 1988. It was converted into a Public Company in 2008 and its name was subsequently amended to reflect its status as a public company. The company's shares are quoted and traded on the Nigerian Stock Exchange.

# **2. PRINCIPAL ACTIVITIES AND CORPORATE DEVELOPMENT**

The Group has interests in subsidiaries and associates involved in manufacturing, distribution, selling and servicing of computer equipment and also provides engineering services.

# **3. BUSINESS REVIEW AND FUTURE DEVELOPMENT**

The Group carried out business activities in accordance with its Memorandum and Articles of Association. A Comprehensive review of the business for the year and the prospects for the ensuing year are contained in the Managing Director's Report.

# **4. PROPERTY, PLANT AND EQUIPMENT**

Movement in Property plant and equipment during the year 2019 is shown in note 8 of the Notes to the Financial Statement herein. In the opinion of the directors, the market value of the Group's Property plant & equipment is not less than the value shown in the accounts.

# **5. RESULTS**

The highlights for the financial statements of the group for the year are as follows:

	GROUP			COMPANY	
	2019	2018		2019	2018
	N'M	N'M		N'M	N'M
Revenue	1.04	18			
Other Income				(100.04)	(80)
Total Comprehensive Income	(1,364)	(1,161)		(1,231)	(1,045)
Total Non Current Assets	4,048	4,113		1,659	1,801
Total Equity	(7,328)	(5,964)		(4,271)	(3,046)
Earnings/(Loss) Per Share (NGN)	(0.46)	(0.39)			

# **6. DIVIDEND**

In respect of the current year, the Directors do not recommend any dividend.

# **7. DIRECTORS**

- The directors who were in office during the year are listed on page 3.
- The re-election of four Non-Executive Directors is presented to the members for approval.
- The Group Chairman, Dr. Timothy Farinre and the Group MD/CEO, Engr. Florence Seriki are life Directors for the group. The Group MD/CEO, Engr. Florence Seriki died on the 3rd of March, 2017.
- DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the preparation of the Group's financial statements which give a true and fair view of the state of affairs of the Group at the end of each financial year, and is in accordance with the provisions of the Companies and Allied Matters Act CAP C20 of the Laws of the Federal Republic of Nigeria, Securities and Exchange Commission Act 2007 as well as Corporate Governance Code of the Securities and Exchange Commission 2011, guidelines and circulars issued by the Nigerian Stock Exchange and other relevant regulators.

In doing so they ensure that:

Proper accounting records are maintained;

Internal control procedures are instituted which as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities;

Applicable accounting policies and standards are adhered to;

Suitable accounting policies are adopted and consistently applied;

The going concern basis is used, unless it is inappropriate to presume that the Group will continue in business; and Judgments and estimates made are reasonable and prudent.

## 8. DIRECTORS INTERESTS IN SHARES

The interest of the Directors in the issued share capital of the company as recorded in the register of Directors as at 31st December 2019 was as follows:

	Director	Direct shareholding of ordinary shares of 50kobo each	Indirect shareholding	Total	Percentage
1	Dr. Timothy Farinre-Group Chairman	Nil	100,357,894	100,357,894	3.41%
2	Late Engr. (Mrs.) Florence Seriki, MFR-Former GMD/CEO	1,552,315,285	165,717,635	1,718,032,899	58.40%
3	Professor Ayodele Francis Ogunye	1,000,000	Nil	1,000,000	0.034%
4	Otunba (Dr.) Solomon Ayodele Oladunni	3,101,478	Nil	3,101,478	0.105%
5	Chief (Senator) Kolawole Bajomo, MNI, FCA	100,000	Nil	100,000	0.003%
6	Alhaji Dasuki Nakande	Nil	Nil		
7	Mr. Yemi Ogundipe, FCA GMD/CEO	Nil	Nil		

## 9. SHAREHOLDING ANALYSIS

The company has an authorised share capital of N3,500,000,000.00 divided into 7,000,000,000 ordinary shares of 50 kobo each. The issued share capital is N1, 470,895,000.00 divided into 2,941,789,472 ordinary shares of 50 kobo each.

According to the Register of members, only three (3) members, namely, Late Mrs. Florence Seriki, Main Street Bank Plc. and Portables Investments Ltd. held more than 5% of the issued share capital as at 31st December 2019.



S/N	Names of shareholders	Units	Percent
1	Late Engr. Mrs. Florence Seriki	1,552,315,285	52.77%
2	Main Street Bank Plc	178,285,185	6.06%
3	Portables Investments Ltd	164,639,635	5.60%

The range analysis of the shareholding of the company is as shown in the table below:

Range	No. of Holders	Percent	Units	Percent
1 - 1,000	434	7.92%	286,348	0.01%
1,001 - 10,000	1,790	32.66%	10,065,876	0.34%
10,001 - 100,000	2,346	42.80%	107,208,495	3.64%
100,001 - 500,000	669	12.21%	158,070,842	5.37%
500,001 - 1,000,000	113	2.06%	93,911,413	3.19%
1,000,001 - 5,000,000	101	1.84%	253,700,254	8.62%
5,000,001 - 10,000,000	17	0.31%	135,346,918	4.60%
10,000,001 - 100,000,000	7	0.13%	187,601,327	6.38%
100,000,001 - 10,000,000,000	4	0.07%	1,995,597,999	67.84%
Total	5,481	100.00%	2,941,789,472	100.00%

## 10. EMPLOYMENT AND EMPLOYEES

### a) Employment of physically challenged persons

It is the policy of the Group that there should be no discrimination in considering applications for employment including those from disabled persons. All employees are given equal opportunities for self-development. As at December 31, 2019, however, no disabled person was in the employment of the Group.

### b) Health, Safety and Welfare of employees

Health and safety regulations are in force within the Group's premises and employees are aware of the existing regulations. The Group provides subsidy to all levels of employees, transportation, housing, etc.

### c) Employee involvement and training

The Group is committed to keeping employees informed as much as possible regarding the Group's performance and progress and seeking their views whenever practicable on matters which particularly affect them as employees.

Management, professional and technical expertise are the Group's major assets and investment in their further development continues. Training is carried out at various levels through both in-house and external courses.

**11. POST BALANCE SHEET EVENTS**

There are no post balance sheet events, which could have had material effect on the state of affairs of the Group, and the profit for the year ended, 31st, December 2019 which have not been adequately provided for or disclosed.

**12. GOING CONCERN STATUS**

The Group incurred a net loss of N1,344.39 million for the year ended 31 December 2019 (2018: net loss of N1,154.27 million) and interest cover was also negative 0.09 (2018: 0.04). These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

The Management and Board have made adequate plans to reverse the trend by breaking new grounds in products and market development.

The financial statements are prepared on the basis of accounting policies applicable to a going concern.

The basis presumes that the Group will be able to penetrate the new markets and sell the new products and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

**13. AUDIT COMMITTEE**

Pursuant to Section 359 (3) of the Companies and Allied Matters Act CAP.C20, LFN 2004, the company has in place an Audit Committee comprising of three shareholders and three Director's representatives appointed at the last AGM as follows:

Mr. Basil Ubah (Chairman)

Mr. Peter Eyanuku

Chuks Nwosa Osadinizu

Alhaji Dasuki Nakande

Otunba (Dr.) Solomon Ayodele Oladunni

Professor Ayodele Francis Ogunye

**14. AUDITORS**

The firm of Messrs Olaolu Olabimtan & Co. (Chartered Accountants) was engaged to conduct the 2019 statutory audit and in accordance with Section 357 (2) of the Companies and Allied Matters Act CAP. C20, LFN. 2004, a resolution will be proposed to accept their re-appointment as the auditors at the Annual General Meeting

**15. COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE**

As a company listed on the Nigerian Stock Exchange, Omatek complies with the provisions of the Code of best practice on Corporate Governance for public quoted companies. In its bid to maintain its strong pioneer status and transparency, the Group has adopted the Corporate Governance Code of the Securities and Exchange Commission and strives to maintain compliance with the rules of the Nigerian Stock Exchange, in addition to the relevant laws and guidelines operating in Nigeria.

BY ORDER OF THE BOARD



Femi David Ikotun Esq.,  
Ikotun Temowo & Co  
Company Secretary

Dated this 12th day of February, 2020

## REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF OMATEK VENTURES PLC

In accordance with the provisions of Section 359 (6) of the Companies and Allied Matters Act (CAP20) Laws of the Federation of Nigeria 2004, the members of the Statutory Audit Committee of Omatek Ventures Plc hereby report as follows:

We have exercised our statutory functions under Section 359(6) of the Companies and Allied Matters Act (CAP20) Laws of the Federation of Nigeria, 2004 and we acknowledge the cooperation of management and staff in the conduct of their responsibilities.

We confirm that:

The accounting and reporting policies of the company are consistent with legal requirements and ethical practices.

The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal controls systems.

We have considered the independent auditors' post-audit report in respect of year ended 31 December, 2019 and management responses thereon, and are satisfied thereto."

Members of the Audit Committee are:

- |  |   |
|--|---|
| 1) Mr Basil Ubah                         | - Chairman & Shareholders' representative |
| 2) Mr Peter Eyanuku                      | - Shareholders' representative            |
| 3) Chucks Nwosa Osadinizu                | - Shareholders' representative            |
| 4) Alhaji Dasuki Nakande                 | - Non Executive Director                  |
| 5) Otunba (Dr.) Solomon Ayodele Oladunni | - Non Executive Director                  |
| 6) Professor Ayodele Francis Ogunye      | - Non Executive Director                  |

Dated this 12th February 2020



Mr Basil Ubah  
Chairman

Omatek Ventures Plc obtained a waiver from the Financial Reporting Council for the Chairman to sign this report without an FRC number, pending compliance with registration requirement.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF OMATEK VENTURES PLC

### Our Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Omatek Ventures PLC ("the company") and its subsidiaries (together "the group") as at 31 December 2019, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C 20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act 2011.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 27 to the financial statements which indicates that the Group incurred a loss of N1,344,387,7782.48 for the year ended 31 December 2019 (2018: net loss of N1,154,273,928.21) and interest cover was also negative 0.09 (2018: 0.04).

These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

### What We Have Audited

Omatek Ventures Plc's consolidated and separate consolidated financial statements comprise:

The consolidated and separate statements of financial position as at 31st December 2019

The consolidated and separate statements of profit or loss account and statement of comprehensive income for the year then ended.

The consolidated and separate statements of changes in equity for the year ended The consolidated and separate statement of cash flows for the year then ended.

The notes to consolidated and separate financial statements, which include a summary of significant accounting policies.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants.

We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period.

These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Key Audit

### Going Concern

We focused on this area due to the death of the founding Group Managing Director and the subsequent attempt by Bank of Industry to place the company under receivership. The matter has remained unresolved in the last three years.

This matter is considered a key audit matter in the context of our audit of the financial statements as a whole.

### How our audit addressed the key audit matter

The directors are responsible for the other information.

We assessed the plans by management to resolve the issues with Bank of Industry.

We reviewed the new business plan drawn up by the current management, by way of bringing on board venture capital investors for reasonableness and viability.

We assessed the readiness of the directors and management to continue to support the company.

### Other Information

The other information include Corporate governance report, Internal control and risk management systems in relation to the financial reporting, Statement of directors' responsibilities, Report of the audit committee, Regulatory requirements under IFRS regime, Operational risk management, Value added statements, Five year financial summary, and Share Capitalisation history which we obtained prior to the date of this auditor's report, and the Chairman's statement, Corporate information, Products and services and Corporate directory which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated and separate 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.

When we read the other sections of the Omatek Ventures Plc's 2019 annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### Auditor's responsibilities for the audit of the consolidated and separate financial 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 a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. 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 this financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identified and assessed the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained 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.
- Obtained an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Concluded on the appropriateness of the 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 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 Group to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicated 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 identified during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when,

in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

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 purpose of our audit.
- ii. The company has kept proper books of accounting records so far as appears from our examination of those books.
- iii. The Group's statement of financial position and statement of comprehensive income are in agreement with the books.



Hakeem Kareem,  
FCA FRC/2013/ICAN/00000001751  
For: Olaolu Olabimtan & Co  
Chartered Accountants  
ABUJA, Nigeria



Date: 30th MAY 2020



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OMATEK VENTURES PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2019

		GROUP		COMPANY	
	NOTE	2019 N'M	2018 N'M	2019 N'M	2018 N'M
<b>ASSETS</b>					
PROPERTY, PLANT & EQUIPMENT	8	1,665	1,711	1,661	1,703
INVESTMENT PROPERTY	9	2,200	2,200	2,200	2,200
INVESTMENTS	10	132	132	(2,202)	(2,101)
DEFERRED TAX ASSET	11	51	69	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,048</b>	<b>4,113</b>	<b>1,659</b>	<b>1,801</b>
INVENTORIES	12	609	620	-	-
TRADE & OTHER RECEIVABLES	13	40	108	3,487	3,487
PREPAYMENTS	14	-	-	-	-
CASH & CASH EQUIVALENTS	15	36	38	-	-
<b>TOTAL CURRENT ASSETS</b>		<b>686</b>	<b>766</b>	<b>3,487</b>	<b>3,487</b>
<b>TOTAL ASSETS</b>		<b>4,733</b>	<b>4,879</b>	<b>5,146</b>	<b>5,288</b>
<b>EQUITY</b>					
SHARE CAPITAL	16	1,471	1,471	1,471	1,471
SHARE PREMIUM	17	4,376	4,376	4,376	4,376
RETAINED EARNINGS		(10,768)	(9,543)	(10,733)	(9,509)
REVALUATION RESERVE	18	615	615	615	615
<b>NON-CONTROLLING INTEREST</b>		<b>(3,023)</b>	<b>(2,884)</b>		
<b>TOTAL EQUITY</b>		<b>(7,328)</b>	<b>(5,964)</b>	<b>(4,271)</b>	<b>(3,046)</b>
<b>LIABILITIES</b>					
LONG TERM LOANS & BORROWINGS	19	3,909	3,909	3,909	3,909
DEFERRED TAX LIABILITY	11	30	30	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,940</b>	<b>3,940</b>	<b>3,909</b>	<b>3,909</b>
BANK OVERDRAFT	15	293	299	-	-
TRADE & OTHER PAYABLES	20	7,135	5,918	5,436	4,357
ACCRUED TAX	11	216	209	72	69
SHORT TERM LOANS & BORROWINGS	26	477	477	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>8,121</b>	<b>6,903</b>	<b>5,508</b>	<b>4,425</b>
<b>TOTAL LIABILITIES</b>		<b>12,061</b>	<b>10,843</b>	<b>9,417</b>	<b>8,335</b>
<b>TOTAL EQUITIES &amp; LIABILITIES</b>		<b>4,733</b>	<b>4,879</b>	<b>5,146</b>	<b>5,288</b>

The financial statements were approved by the Board of Directors on 12th February, 2020 and signed on its behalf by:



**Dr. Timothy Farinre**  
Group Chairman  
FRC/2014/COREN/0000007564



**Mr. Anthony O. Omhenke**  
Chief Finance Officer  
FRC/2014/ICAN/00000008200



**Mr. Yemi Ogundipe, FCA**  
Group Managing Director  
FRC/2013/ICAN/00000001615

THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

OMATEK VENTURES PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 31ST DECEMBER 2019

	NOTE	GROUP		COMPANY	
		2019 N'M	2018 N'M	2019 N'M	2018 N'M
REVENUE	21	1.04	18.34		
COST OF SALES		(0.17)	(5.44)	-	-
GROSS PROFIT		<u>0.86</u>	<u>12.90</u>	<u>-</u>	<u>-</u>
OTHER INCOME				(100)	(80)
SELLING AND DISTRIBUTION EXPENSES		(1.41)	(2.22)		
ADMINISTRATION EXPENSES	24	<u>(114.42)</u>	<u>(58.54)</u>	<u>(84.66)</u>	<u>(42.60)</u>
RESULTS FROM OPERATING ACTIVITIES		(114.96)	(47.86)	(184.70)	(122.22)
FINANCE COST		<u>(1,229.42)</u>	<u>(1,106.42)</u>	<u>(1,042.35)</u>	<u>(919.34)</u>
PROFIT/(LOSS) BEFORE TAX		(1,344.39)	(1,154.27)	(1,227.05)	(1,041.56)
TAX EXPENSE	11	<u>(25.69)</u>	<u>(7.05)</u>	<u>(3.68)</u>	<u>(3.68)</u>
PROFIT/(LOSS) ON CONTINUING OPERATIONS		<u>(1,370.08)</u>	<u>(1,161.33)</u>	<u>(1,230.73)</u>	<u>(1,045.24)</u>
OTHER COMPREHENSIVE INCOME					
RENTAL INCOME	22	6.00	-	6.00	
OTHER EXPENSE	23		-		
TOTAL OTHER COMPREHENSIVE INCOME		<u>6.00</u>	<u>-</u>	<u>6.00</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>(1,364.08)</u>	<u>(1,161.33)</u>	<u>(1,224.73)</u>	<u>(1,045.24)</u>
PROFIT ATTRIBUTABLE TO THE GROUP		(1,224.91)	(1,045.24)		
NON CONTROLLING INTEREST		(139.17)	(116.05)		
		<u>(1,364.08)</u>	<u>(1,161.29)</u>		
BASIC EARNINGS/(LOSS) PER SHARE (NGN)	25	<u>(0.46)</u>	<u>(0.39)</u>		
DILUTED EARNINGS/(LOSS) PER SHARE (NGN)		<u>(0.46)</u>	<u>(0.39)</u>		

THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

OMATEK VENTURES PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2019  
GROUP

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	REVALUATION RESERVE	NON CONTROLLING INTEREST	TOTAL EQUITY
	N'M	N'M	N'M	N'M	N'M	N'M
BALANCE AT 1ST JANUARY 2019	1,470.89	4,376.34	(9,542.61)	614.90	(2,883.59)	(5,964.06)
TOTAL COMPREHENSIVE INCOME						
PROFIT/(LOSS) ON CONTINUING OPERATIONS			(1,224.91)		(139.17)	(1,364.08)
OTHER COMPREHENSIVE INCOME						
OTHER INCOME			-		-	-
TOTAL OTHER COMPREHENSIVE INCOME			-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	(1,224.91)	-	(139.17)	(1,364.08)
BALANCE AT 31ST DECEMBER 2019	1,470.89	4,376.34	(10,767.52)	614.90	(3,022.76)	(7,328.14)

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	REVALUATION RESERVE	NON CONTROLLING INTEREST	TOTAL EQUITY
	N'M	N'M	N'M	N'M	N'M	N'M
BALANCE AT 1ST JANUARY 2018	1,470.89	4,376.34	(8,497.37)	614.90	(2,767.54)	(4,802.77)
TOTAL COMPREHENSIVE INCOME						
PROFIT/(LOSS) ON CONTINUING OPERATIONS			(1,045.24)		(246.80)	(1,292.04)
OTHER COMPREHENSIVE INCOME						
OTHER INCOME			-		-	-
TOTAL OTHER COMPREHENSIVE INCOME			-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	(1,045.24)	-	(116.05)	(1,161.29)
BALANCE AT 31ST DECEMBER 2018	1,470.89	4,376.34	(9,542.61)	614.90	(2,883.59)	(5,964.06)

OMATEK VENTURES PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER  
2019 COMPANY

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	REVALUATION RESERVE	TOTAL EQUITY
	N'M	N'M	N'M	N'M	N'M
BALANCE AT 1ST JANUARY 2019	1,470.89	4,376.34	(9,508.57)	614.90	(3,046.43)
TOTAL COMPREHENSIVE INCOME					
PROFIT/(LOSS) ON CONTINUING OPERATIONS			(1,224.73)		(1,224.73)
OTHER COMPREHENSIVE INCOME					
TOTAL OTHER COMPREHENSIVE INCOME					
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	(1,224.73)	-	(1,224.73)
BALANCE AT 31ST DECEMBER 2019	1,470.89	4,376.34	(10,733.30)	614.90	(4,271.16)
	SHARE CAPITAL N'M	SHARE PREMIUM N'M	RETAINED EARNINGS N'M	REVALUATION RESERVE N'M	TOTAL EQUITY N'M
BALANCE AT 1ST JANUARY 2018	1,470.89	4,376.34	(8,463.33)	614.90	(2,001.19)
adjustment					-
TOTAL COMPREHENSIVE INCOME					
PROFIT/(LOSS) ON CONTINUING OPERATIONS			(1,045.24)		(1,045.24)
OTHER COMPREHENSIVE INCOME					
TOTAL OTHER COMPREHENSIVE INCOME			-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	-	(1,045.24)	-	(1,045.24)
BALANCE AT 31ST DECEMBER 2018	1,470.89	4,376.34	(9,508.57)	614.90	(3,046.43)

THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF CASH FLOWS

OMATEK VENTURES PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2019

	NOTE	GROUP JANUARY - DECEMBER 2019 N'M	JANUARY - DECEMBER 2018 N'M	COMPANY JANUARY - DECEMBER 2019	JANUARY - DECEMBER 2018 N'M
CASH FLOWS FROM OPERATING ACTIVITIES					
PROFIT/(LOSS)		(1,364.08)	(1,161.33)	(1,227.05)	(1,045.24)
ADJUSTMENTS FOR :					
DEPRECIATION		44.25	42.23	42.00	42.00
RETAINED EARNINGS ADJUSTMENT			-		
FINANCE COST		1,229.42	1,106.42	1,042.35	919.34
TAX		25.69	7.05		3.68
RENTAL INCOME				6	
INVESTMENT( INCOME)/LOSSES				100.22	79.62
		<u>1,299.36</u>	<u>1,155.69</u>	<u>1,190.57</u>	<u>1,044.64</u>
CHANGES IN CURRENT ASSETS :					
INVENTORIES		10.62	(45.42)	-	
TRADE & OTHER RECEIVABLES		68.12	1.34	-	-
PREPAYMENTS			-		-
		<u>78.74</u>	<u>(44.09)</u>	<u>-</u>	<u>-</u>
CHANGES IN CURRENT LIABILITIES :					
TRADE & OTHER PAYABLES		1,219.49	1,145.20	1,078.83	919.94
		<u>1,219.49</u>	<u>1,145.20</u>	<u>1,078.83</u>	<u>919.94</u>
NET CASH FROM OPERATING ACTIVITIES		<u>1,233.52</u>	<u>1,095.48</u>	<u>1,042.35</u>	<u>919.34</u>
CASHFLOW FROM INVESTING ACTIVITIES					
PURCHASE OF FIXED ASSET		0.033	(0.07)	-	-
INVESTMENT			-		-
NET CASH FROM INVESTING ACTIVITIES		<u>0.03</u>	<u>(0.07)</u>	<u>-</u>	<u>-</u>
CASHFLOW FROM FINANCING ACTIVITIES					
FINANCE COST		(1,229.42)	(1,106.42)	(1,042.35)	(919.34)
LOANS & BORROWINGS		-	-		-
CONSUMER FINANCE		-	-		
NET CASH FROM FINANCING ACTIVITIES		<u>(1,229.42)</u>	<u>(1,106.42)</u>	<u>(1,042.35)</u>	<u>(919.34)</u>
NET CASH FLOW		<u>4.13</u>	<u>(11.01)</u>	<u>-</u>	<u>-</u>
CASH & CASH EQUIVALENTS @ 1ST JANUARY		(260.75)	(249.75)	-	(0.00)
CASH & CASH EQUIVALENTS @ END DECEMBER 15		<u>(256.62)</u>	<u>(260.75)</u>	<u>-</u>	<u>(0.00)</u>

THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 REPORTING ENTITY

- (A) **LEGAL FORM** Omatek Ventures Plc is a public limited liability company incorporated in Nigeria under the Companies and Allied Matters Act of 1990.
- (B) **MAIN ACTIVITIES** Omatek is a holding company which holds shares in the manufacturing, distribution and sales and service of various types of computers and home entertainment products.
- © **REGISTERED ADDRESS** The registered address is Plot 11 Kudirat Abiola Way Oregun Ikeja, Lagos. Plot 11 Kudirat Abiola Way Oregun Ikeja, Lagos.
- (D) **BUSINESS ADDRESS STATEMENT OF** The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

### 2 COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The consolidated financial statements were authorised for issue by the Board of Directors on: 12th February, 2019.

### 3 BASIS OF PREPARATION

- (A) **BASIS OF MEASUREMENT** The financial statements have been prepared on the historical cost basis and all applicable standard issued by the Financial Reporting Council of Nigeria.
- (B) **FUNCTIONAL AND PRESENTATION CURRENCY** These financial statements are presented in Nigerian Naira, which is the Company's functional currency.
- All financial information presented in naira has been rounded to nearest million.
- (C) **USE OF ESTIMATES AND JUDGEMENT** The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.
- (D) **ADOPTION OF NEW AND REVISED STANDARDS** Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and into any future periods affected.
- IFRS 15 Revenue from Contracts with** IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programme. The Company uses the impact assessment report to disclose the impact of IFRS 15, on the company.
- i C u s t o m e r s - effective on or after 1 January 2018** The Company has initially applied IFRS 9 from 1 January 2018. A number of other new standards are also effective from 1 January 2019 but they do not have a material effect on the Company's financial statements.
- IFRS 9 Financial** The effect of initially applying this standard is mainly attributed to an increase in impairment losses recognised on financial assets.
- ii I n s t r u m e n t - effective on or after 1 January 2018** IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

## **CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS**

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL.

### **a AND FINANCIAL LIABILITIES**

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

### **b IMPAIRMENT OF FINANCIAL ASSETS**

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

Under IFRS 9, credit losses are recognised earlier than under IAS 39 – see Note 5D

## **ISSUED BUT NOT YET EFFECTIVE Standard**

## **Title/Contents**

## **Effective Year**

IFRS 17

Insurance Contracts

1-Jan-2021

Standards which were issued but will become effective after 2019 will not have material impact on the Company.

## **4 BASIS OF CONSOLIDATION**

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The consolidated financial statements combine the financial statements of Omatek Ventures PLC, Omatek Ventures Distribution Limited, Omatek Engineering Services Limited and Omatek Computers Limited.

## **5 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

### **(A) FOREIGN CURRENCY**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

## **(B) PROPERTY, PLANT & EQUIPMENT**

### **(i) RECOGNITION AND MEASUREMENT**

Items of property, plant and equipment are measured at cost/revalued amounts less accumulated depreciation and accumulated impairment losses.

The building at Plot 11 Kudirat Abiola Way was valued on 2nd January 2011 as part of the IFRS Implementation Project by Adeniji Adele & Associates - Consulting Estate Surveyors & Valuers.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

### **(ii) DEPRECIATION**

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Leasehold Building	50 Years
Motor Vehicles	5 Years
Furniture, Fixtures & Fittings	10 Years
Office Equipment	10 Years
Plant & Machinery	5 Years
Computer Equipment	5 Years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the

## **(C) INVENTORIES**

inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## IMPAIRMENT

### (D) Policy applicable from 1 January 2019

#### (i) FINANCIAL INSTRUMENTS AND CONTRACT ASSETS

The Company recognises loss allowances for Expected Credit Losses ("ECL") on:

financial assets measured at amortised cost;

debt investments measured at FVOCI; and Contract assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs: debt securities that are determined to have low credit risk at the reporting date; and

other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or the financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per [Moody's Rating

Agency] or BBB-or higher per [Standard & Poor's Rating Agency].

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses.

## MEASUREMENT OF ECLS

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).



ECLs are discounted at the effective interest rate of the financial asset. At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

#### **CREDIT-IMPAIRED FINANCIAL ASSETS**

significant financial difficulty of the borrower or issuer;

a breach of contract such as a default or being more than 90 days past due; the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

it is probable that the borrower will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for a security because of financial difficulties.

#### **PRESENTATION OF ALLOWANCE FOR ECL IN THE STATEMENT OF FINANCIAL POSITION**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

#### **WRITE-OFF**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial assets not classified as at FVTPL were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included: default or delinquency by a debtor; restructuring of an amount due to the Group on terms that the Group would not consider otherwise;

indications that a debtor or issuer would enter bankruptcy; adverse changes in the payment status of borrowers or issuers;

the disappearance of an active market for a security because of financial difficulties; or observable data indicating that there was a measurable decrease in the expected cash flows from a group of financial assets.

### **(E) EMPLOYEE BENEFITS**

#### **(i) DEFINED CONTRIBUTION PLANS**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension fund administrators (PFA) on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid.

The contributions are recognised as employee benefit expense in comprehensive income statement when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**(ii) TERMINATION BENEFITS**

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

**(F) REVENUES**

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognised when persuasive evidence exists,

GOODS SOLD usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

**(ii) RENTAL INCOME**

Rental income from property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

Income tax expense comprises current and deferred tax. Current tax and deferred tax are items recognised directly in equity or in other comprehensive income.

**(G) INCOME TAX**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## **(H) SEGMENT REPORTING**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

## **6. FINANCIAL RISK MANAGEMENT**

### **(A) OVERVIEW**

The Company has exposure to the following risks from its use of financial instruments:

Credit Risk

Liquidity Risk

Market Risk

Operational Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements

### **RISK MANAGEMENT**

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

### **(B) FRAMEWORK**

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures,

and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

**(C) CREDIT RISK**

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers.

**TRADE & OTHER  
(I) RECEIVABLES**

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

**(D) LIQUIDITY RISK**

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

**(E) OPERATIONAL RISK**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

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

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall group standards for the management of operational risk.

**(F) MARKET RISK**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**7 OPERATING SEGMENTS**

The Group has two reportable segments, as described below, which are the Group's strategic business units.

The strategic business units undertake different sectors of Group's activities and are managed separately based on the Group's management and internal reporting structure.

For each of the strategic business units, the Executive Management Committee reviews internal management reports on at least a quarterly basis.

**OMATEK COMPUTERS LIMITED**

The principal activities of the company are the assembling, and manufacturing of various types of computers and home entertainment products, UPS, inverters and solar systems

**OMATEK VENTURES  
DISTRIBUTION LIMITED**

Omatek Ventures Distribution Limited is a computer company which was formed to take over the distribution and sales of all products of the Omatek Group which include various types of computers and home entertainment products, UPS, inverters and solar systems.

**OMATEK VENTURES PLC**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

	YEAR ENDED 31/12/19				
	MANUFACTURING N'M	TRADING N'M	ENGINEERING N'M	OTHER N'M	TOTAL N'M
REVENUE					
EXTERNAL CUSTOMERS	-	-	1.0	-	1.0
OTHER BUSINESS SEGMENT	-	-	-	-	-
TOTAL REVENUE	-	-	1.0	-	1.0
COST OF SALES	-	-	(0.2)	-	(0.2)
GROSS PROFIT	-	-	0.9	-	0.9
OTHER INCOME	-	-	-	6.0	6.0
FAIR VALUE GAIN	-	-	-	-	-
SELLING AND DISTRIBUTION EXPENSES	-	-	(1.4)	-	(1.4)
ADMINISTRATION EXPENSES	(11.1)	0.9	(19.5)	(84.7)	(114.4)
OTHER EXPENSES	-	-	-	-	-
RESULT FROM OPERATIONS	(11.1)	0.9	(20.1)	(78.7)	(109.0)
FINANCE COST	(128.2)	(58.9)	-	(1,042.4)	(1,229.4)
NET PROFIT/(LOSS) BEFORE TAX	(139.4)	(57.9)	(20.1)	(1,121.0)	(1,338.4)
TAX EXPENSE	(0.7)	(20.6)	(0.8)	(3.7)	(25.7)
NET PROFIT/(LOSS) AFTER TAX	(140.0)	(78.5)	(20.9)	(1,124.7)	(1,364.1)
ASSETS	683.2	78.6	80.1	5,146.0	5,987.9
LIABILITIES	1,560.3	4,349.0	57.5	5,507.9	11,474.7
NET ASSETS	2,243.5	4,427.6	137.6	10,653.9	17,462.6

	YEAR ENDED 31/12/18				
	MANUFACTURING N'M	TRADING N'M	ENGINEERING N'M	OTHER N'M	TOTAL N'M
REVENUE					
EXTERNAL CUSTOMERS	-	-	18.3	-	18.3
OTHER BUSINESS SEGMENT	-	-	-	-	-
TOTAL REVENUE	-	-	18.3	-	18.3
COST OF SALES	-	-	(5.4)	-	(5.4)
GROSS PROFIT	-	-	12.9	-	12.9
OTHER INCOME	-	-	0.0	(79.6)	(79.6)
SELLING AND DISTRIBUTION EXPENSES	-	(0.1)	(2.2)	-	(2.2)
ADMINISTRATION EXPENSES	(11.1)	21.4	(26.2)	(42.6)	(58.5)
OTHER EXPENSES	-	-	-	-	-
RESULT FROM OPERATIONS	(11.1)	21.3	(15.4)	(122.2)	(127.4)
FINANCE COST	(128.2)	(58.9)	-	(919.3)	(1,106.4)
NET PROFIT/(LOSS) BEFORE TAX	(139.4)	(37.5)	(15.4)	(1,041.6)	(1,233.9)
TAX EXPENSE	(1.0)	(2.5)	0.1	(3.7)	(7.1)
NET PROFIT/(LOSS) AFTER TAX	(140.4)	(40.0)	(15.3)	(1,045.2)	(1,240.9)
ASSETS	693.7	97.1	76.8	5,288.2	6,155.8
LIABILITIES	(1,430.8)	(4,288.9)	(33.3)	(4,425.4)	(10,178.5)
NET ASSETS	(737.2)	(4,191.9)	43.5	862.9	(4,022.7)

8 PROPERTY, PLANT & EQUIPMENT - GROUP									
	LEASEHOLD BUILDING	PLANT & MACHINERY	FIXTURES & FITTINGS	OFFICE EQUIPMENT	COMPUTER EQUIPMENT	MOTOR VEHICLE	CENTER RESOURCES	QUALITY TEST	TOTAL
	N'M	N'M	N'M	N'M	N'M	N'M	N'M	N'M	N'M
COST/VALUATION									
BALANCE AS AT 1ST JANUARY 2019	2,130.50	27.54	40.69	26.22	11.83	196.46	1.35	0.31	2,434.89
UNREALISED FAIR VALUE GAIN	-	-	-	-	-	-	-	-	-
ADDITIONS	-	-	-	0.033	-	-	-	-	0.033
BALANCE AS AT 31ST DECEMBER 2019	2,130.50	27.54	40.69	26.26	11.83	196.46	1.35	0.31	2,434.93
DEPRECIATION									
BALANCE AS AT 1ST JANUARY 2019	427.58	25.13	37.07	25.99	11.82	196.44	1.34	0.30	725.65
CHARGE FOR THE YEAR	42.200	0.80	1.20	0.05	-	-	-	-	44.25
ADJUSTMENT									
BALANCE AS AT 31ST DECEMBER 2019	469.78	25.93	38.27	26.03	11.82	196.44	1.34	0.30	769.90
CARRYING AMOUNT									
AS AT 31ST DECEMBER 2019	1,660.72	1.61	2.42	0.22	0.01	0.02	0.01	0.01	1,665.02
AS AT 31ST DECEMBER 2018	1,702.92	2.41	3.62	0.24	0.01	0.02	0.01	0.01	1,709.24

PROPERTY, PLANT & EQUIPMENT - COMPANY									
	LEASEHOLD BUILDING	TOTAL							
	N'M	N'M							
COST/VALUATION									
BALANCE AS AT 1ST JANUARY 2019	2,100.00	2,100.00							
UNREALISED FAIR VALUE GAIN	-	-							
ADDITIONS	-	-							
BALANCE AS AT 31ST DECEMBER 2019	2,100.00	2,100.00							
DEPRECIATION									
BALANCE AS AT 1ST JANUARY 2019	397.43	397.43							
CHARGE FOR THE YEAR	42.00	42.00							
ADJUSTMENT	-	-							
BALANCE AS AT 31ST DECEMBER 2019	439.43	355.43							
CARRYING AMOUNT									
AS AT 31ST DECEMBER 2019	1,660.57	1,744.57							
AS AT 31ST DECEMBER 2018	1,702.57	1,702.57							

9 INVESTMENT PROPERTY									
	GROUP			COMPANY			TOTAL		
	LEASEHOLD BUILDING	TOTAL		LEASEHOLD BUILDING	TOTAL		LEASEHOLD BUILDING	TOTAL	
	N'M	N'M	N'M	N'M	N'M	N'M	N'M	N'M	N'M
COST/VALUATION									
BALANCE AS AT 1ST JANUARY 2019	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00
FAIR VALUE GAIN	-	-	-	-	-	-	-	-	-
DISPOSAL	-	-	-	-	-	-	-	-	-
ADJUSTMENT	-	-	-	-	-	-	-	-	-
BALANCE AS AT 31ST DECEMBER 2019	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00
CARRYING AMOUNT									
AS AT 31ST DECEMBER 2019	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00
AS AT 31ST DECEMBER 2018	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00	2,200.00

	GROUP		COMPANY	
	31ST DECEMBER 2019	31ST DECEMBER 2018	31ST DECEMBER 2019	31ST DECEMBER 2018
10 INVESTMENTS				
	N'M	N'M	N'M	N'M
OMATEK COMPUTERS GHANA	131.9	131.9	131.9	131.9
OMATEK VENTURES DISTRIBUTION LIMITED			(2,356.7)	(2,300.7)
OMATEK COMPUTERS NIGERIA			8.8	48.8
OMATEK ENGINEERING SERVICES LIMITED			14.3	18.5
	<u>131.9</u>	<u>131.9</u>	<u>(2,201.6)</u>	<u>(2,101.4)</u>
11 TAX				
	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M
TAX EXPENSE				
COMPANIES INCOME TAX		-		
EDUCATION TAX		-		
MINIMUM TAX	7.3	7.4	3.7	3.7
DEFERRED TAX	18.3			
DEFERRED TAX ON CONSOLIDATION		-		
	<u>25.7</u>	<u>7.4</u>	<u>3.7</u>	<u>3.7</u>
ACCRUED TAX				
BALANCE BROUGHT FORWARD	208.7	201.3	68.5	64.9
CURRENT CHARGE	7.3	7.4	3.7	3.7
PAYMENTS DURING THE PERIOD		-		
BALANCE CARRIED FORWARD	<u>216.0</u>	<u>208.7</u>	<u>72.2</u>	<u>68.5</u>
DEFERRED TAX ASSET				
BALANCE BROUGHT FORWARD	69.0	69.0		
CURRENT PROVISION	(18.3)	-		
WHT				
BALANCE CARRIED FORWARD	<u>50.7</u>	<u>69.0</u>	<u>-</u>	<u>-</u>
DEFERRED TAX LIABILITY				
BALANCE BROUGHT FORWARD	30.5	30.5		
CURRENT PROVISION	-	-		
BALANCE CARRIED FORWARD	<u>30.5</u>	<u>30.5</u>	<u>-</u>	<u>-</u>
NET DEFERRED TAX ASSET	<u>20.2</u>	<u>38.5</u>		
12 INVENTORIES				
	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M
FINISHED GOODS	593.9	593.9		
RAW MATERIALS	36.5	36.5		
PROVISION	(21.2)	(10.6)		
	<u>609.2</u>	<u>619.8</u>	<u>-</u>	<u>-</u>

	GROUP		COMPANY	
	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M
<b>13 TRADE &amp; OTHER RECEIVABLES</b>				
TRADE RECEIVABLES	216.9	229.2		
STAFF RECEIVABLES	0.2	0.2		
INTERCOMPANY	-	-	3,487.1	3,487.1
OTHER RECEIVABLES	16.1	84.4		
PROVISION FOR DOUBTFUL TRADE RECEIVABLES	(193.2)	(205.7)		
	<u>40.0</u>	<u>108.1</u>	<u>3,487.1</u>	<u>3,487.1</u>
<b>14 PREPAYMENTS</b>				
	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M
PREPAID RENT		-		-
PREPAID INSURANCE		-		-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>15 CASH &amp; CASH EQUIVALENTS</b>				
	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M
BANK BALANCES	36.3	38.3		-
CASH	-	0.1	-	-
CASH & CASH EQUIVALENTS - STATEMENT OF FINANCIAL POSITION	36.3	38.3		-
BANK OVERDRAFT	(292.9)	(299.1)		-
CASH & CASH EQUIVALENTS - STATEMENT OF CASH FLOWS	(256.6)	(260.7)	-	-



	GROUP		COMPANY	
	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER R 2019 N'M	31ST DECEMBER R 2018 N'M
<b>16 SHARE CAPITAL</b>				
AUTHORISED 7,000,000,000 ORDINARY SHARES @ NGN0.50	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>
ISSUED 2,941,789,472 ORDINARY SHARES @NGN0.50	<u>1,471</u>	<u>1,471</u>	<u>1,471</u>	<u>1,471</u>
	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER R 2019 N'M	31ST DECEMBER R 2018 N'M
<b>17 SHARE PREMIUM</b>	<u>4,376</u>	<u>4,376</u>	<u>4,376</u>	<u>4,376</u>
	<u>4,376</u>	<u>4,376</u>	<u>4,376</u>	<u>4,376</u>
<b>18 REVALUATION RESERVE</b>	The factory building at Plot 11 Kudirat Abiola Way was valued on 31st December 2010 in accordance with IFRS by Adeniji Adele & Associates - Consulting Estate Surveyors & Valuers.			
	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER R 2019 N'M	31ST DECEMBER R 2018 N'M
<b>19 LONG TERM LOANS &amp; BORROWINGS</b>				
BANK OF INDUSTRY WORKING CAPITAL LOAN	2,060	2,060	2,060	2,060
BANK OF INDUSTRY TERM LOAN	<u>1,849</u>	<u>1,849</u>	<u>1,849</u>	<u>1,849</u>
	<u>3,909</u>	<u>3,909</u>	<u>3,909</u>	<u>3,909</u>

	GROUP		COMPANY	
	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M
<b>20 TRADE &amp; OTHER PAYABLES</b>				
TRADE PAYABLES	40.1	40.9		
STAFF PAYABLES	26.6	26.6		
ACCRUED EXPENSES	6,168.6	4,998.8	5,182.5	4,139.7
INTERCOMPANY	67.9	292.4		-
OTHER PAYABLES	832.0	559.4	253.1	217.1
	<u>7,135.2</u>	<u>5,918.1</u>	<u>5,435.7</u>	<u>4,356.8</u>
<b>21 REVENUE</b>				
	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M
SALE OF GOODS TO 3RD PARTIES.	1.0	18.3		-
SHARE OF INCOME/(LOSS) OMATEK VENTURES DISTRIBUTION LIMITED			(40.0)	(20.4)
SHARE OF INCOME/(LOSS) OMATEK COMPUTERS NIGERIA			(56.0)	(56.1)
SHARE OF INCOME/(LOSS) OMATEK ENGINEERING SERVICES LIMITED			(4.0)	(3.1)
	<u>1.0</u>	<u>18.3</u>	<u>(100.0)</u>	<u>(79.6)</u>
<b>22 OTHER INCOME</b>				
	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M
PROFIT ON SALE OF FIXED ASSETS		-		-
RENTAL INCOME		-	-	-
AFTER SALES SERVICE		-	-	-
OTHERS	6.000	0.035	6.000	-
	<u>6.000</u>	<u>0.035</u>	<u>6.000</u>	<u>-</u>
<b>23 OTHER EXPENSE</b>				
	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M
EXCHANGE LOSS			-	-

24 ADMINISTRATION EXPENSES	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M
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INCLUDED IN ADMINISTRATION EXPENSES ARE:

DEPRECIATION	44.2	42.2	42.0	42.0
AUDITORS FEES	1.2	3.5	0.6	1.0
	<u>45.4</u>	<u>45.7</u>	<u>42.6</u>	<u>43.0</u>

25 EARNINGS PER SHARE - BASIC & DILUTED	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M
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EARNINGS PER SHARE IS CALCULATED BY DIVIDING THE NET PROFIT AFTER TAX ATTRIBUTABLE TO EQUITY HOLDERS BY THE WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES IN ISSUE DURING THE YEAR

PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS N'M	<u>(1,364.1)</u>	<u>(1,161.3)</u>
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	<u>2,941.8</u>	<u>2,941.8</u>
EARNINGS/(LOSS) PER SHARE (NGN)	<u>(0.5)</u>	<u>(0.4)</u>

26 SHORT TERM LOANS & BORROWINGS	31ST DECEMBER 2019 N'M	31ST DECEMBER 2018 N'M
SHORT TERM LOAN		
OPENING BALANCE	477.3	477.3
NET MOVEMENT IN THE YEAR	<u>477.3</u>	<u>-</u>
	<u>477.3</u>	<u>477.3</u>

## 27 GOING CONCERN

The Group incurred a net loss of N1,344,387,7782.48 for the year ended 31 December 2019 (2018 : net loss of N1,154,273,928.21 million) and interest cover was also negative 0.09 (2018 : 0.04). These conditions indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

The Management and Board have made adequate plans to reverse the trend by breaking new grounds in products and market development.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. The basis presumes that the Group will be able to penetrate the new markets and sell the new products and that the realization of assets and settlement of liabilities will occur in the ordinary course of business.

**OMATEK VENTURES PLC**
**STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31ST DECEMBER 2019**

GROUP	2019		2018	
	N'M	%	N'M	%
REVENUE	1.0		18.3	
BOUGHT IN GOODS & SERVICES	(65.8)		(23.9)	
VALUE ADDED	<u>(64.7)</u>		<u>(5.6)</u>	
APPLIED AS FOLLOWS				
TO PAY EMPLOYEES	10.8	-17%	65.7	-1174%
TO PAY GOVERNMENT	25.7	-39.7%	7.1	-126.0%
TO PAY PROVIDERS OF LOAN CAPITAL	1,229.4	-1900%	1,106.4	-19768%
NON CONTROLLING INTERESTS	(139.2)	215%	(116.1)	2073%
RETAINED FOR GROWTH				
DEPRECIATION	44.2	-68%	42.2	-754%
RETAINED EARNINGS	(1,224.9)	1893%	(1,045.2)	18675%
	<u>(64.7)</u>	100%	<u>(5.6)</u>	100%

**OMATEK VENTURES PLC**
**FIVE YEAR FINANCIAL SUMMARY**
**GROUP**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>	<b>N'M</b>
<b>PROFIT OR LOSS</b>					
<b>TURNOVER</b>	<b>1.04</b>	<b>18.34</b>	<b>115.57</b>	<b>310.39</b>	<b>1,144.55</b>
<b>PROFIT AFTER TAX</b>	<b>(1,364.08)</b>	<b>(1,161.33)</b>	<b>(1,384.32)</b>	<b>(4,409.16)</b>	<b>(892.43)</b>

**STATEMENT OF FINANCIAL POSITION**

<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>1,665.02</b>	<b>1,711.26</b>	<b>1,753.41</b>	<b>1,830.39</b>	<b>1,871.46</b>
<b>OTHER NON CURRENT ASSETS</b>	<b>2,382.58</b>	<b>2,401.30</b>	<b>2,400.93</b>	<b>2,399.33</b>	<b>3,198.63</b>
<b>CURRENT ASSETS</b>	<b>685.50</b>	<b>766.29</b>	<b>726.71</b>	<b>674.68</b>	<b>2,886.78</b>
	<b>4,733.11</b>	<b>4,878.85</b>	<b>4,881.05</b>	<b>4,904.40</b>	<b>7,956.87</b>

**FINANCED BY**

<b>SHARE CAPITAL</b>	<b>1,470.89</b>	<b>1,470.89</b>	<b>1,470.89</b>	<b>1,470.89</b>	<b>1,470.89</b>
<b>SHARE PREMIUM</b>	<b>4,376.34</b>	<b>4,376.34</b>	<b>4,376.34</b>	<b>4,376.34</b>	<b>4,376.34</b>
<b>RETAINED EARNINGS</b>	<b>(10,767.52)</b>	<b>(9,542.61)</b>	<b>(8,497.37)</b>	<b>(6,784.24)</b>	<b>(4,495.05)</b>
<b>REVALUATION RESERVE</b>	<b>614.90</b>	<b>614.90</b>	<b>614.90</b>	<b>614.90</b>	<b>614.90</b>
<b>NON CONTROLLING INTEREST</b>	<b>(3,022.76)</b>	<b>(2,883.59)</b>	<b>(2,767.54)</b>	<b>(2,030.28)</b>	<b>89.69</b>
<b>NON CURRENT LIABILITIES</b>	<b>3,939.80</b>	<b>3,939.80</b>	<b>3,939.80</b>	<b>3,939.80</b>	<b>4,042.90</b>
<b>CURRENT LIABILITIES</b>	<b>8,121.46</b>	<b>6,903.12</b>	<b>5,744.03</b>	<b>3,316.98</b>	<b>1,857.19</b>
	<b>4,733.11</b>	<b>4,878.85</b>	<b>4,881.05</b>	<b>4,904.40</b>	<b>7,956.87</b>

# OMATEK VENTURES PLC

## FIVE YEAR FINANCIAL SUMMARY

### COMPANY

	2019 N'M	2018 N'M	2017 N'M	2016 N'M	2015 N'M
<b>PROFIT OR LOSS</b>					
<b>OTHER INCOME</b>	(100.04)	(79.62)	(223.35)	(1,876.45)	(358.16)
<b>PROFIT AFTER TAX</b>	<u>(1,230.73)</u>	<u>(1,045.24)</u>	<u>(1,137.52)</u>	<u>(2,298.36)</u>	<u>(453.86)</u>

### STATEMENT OF FINANCIAL POSITION

<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	1,660.57	1,702.57	1,744.57	1,828.57	1,870.57
<b>OTHER NON CURRENT ASSETS</b>	(1.63)	98.58	178.20	834.37	2,710.83
<b>CURRENT ASSETS</b>	3,487.09	3,487.0864	3,487.09	10.19	8.03
	<u>5,146.02</u>	<u>5,288.24</u>	<u>5,409.86</u>	<u>2,673.13</u>	<u>4,589.43</u>

### FINANCED BY

<b>REVALUATION RESERVE</b>	614.90	614.90	614.90	614.90	614.90
<b>SHARE PREMIUM</b>	4,376.34	4,376.344	4,376.34	4,376.34	4,376.34
<b>SHARE CAPITAL</b>	1,470.89	1,470.89	1,470.89	1,470.89	1,470.89
<b>RETAINED EARNINGS</b>	(10,733.30)	(9,508.57)	(8,463.33)	(4,361.91)	(2,063.55)
<b>NON CURRENT LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>	5,507.88	4,425.37	3,501.75	572.91	190.84
	<u>1,236.71</u>	<u>1,378.93</u>	<u>1,500.55</u>	<u>2,673.13</u>	<u>4,589.43</u>

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