SCOA Nigeria Plc

(RC 6293)

2014

Annual Report and Accounts

SCOA CARES
'SINCE 1926'

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Board Of Directors, Secretary And Corporate Information

CHAIRMAN:	Mr. Henry Agbamu
MANAGING DIRECTOR/CEO:	Dr. Massad F. Boulos (French)
EXECUTIVE DIRECTOR:	Engr. Amresh Shrivastava (Indian) Deputy CEO
DIRECTORS (Non Executive):	Mr. Michel Fadoul (French) Mrs. Farida Fadoul (French) Mr. Claude Kieffer (French) Alhaji Gambo Lawan, AMNIM, FIICA. (Independent) Prince Boniface Nwabuko Chief Odunayo Olagundoye (Independent) Hon. Magnus C. Onyibe (Independent)
COMPANY SECRETARY:	Mr. Michael A. Adeyemi, *ACIS, MNIM*
REGISTERED OFFICE:	157 Apapa/Oshodi Expressway, Isolo, Lagos. P.O. Box 2318, Lagos. Telephone: 01-7741030, 2802072 E-mail: info@scoaplc.com Website: scoaplc.com
FRC No.:	FRC/2013/ 0000000000583
RC NUMBER:	RC: 6293
REGISTRAR AND TRANSFER OFFICE:	Africa Prudential Registrars Plc. 220B Ikorodu Road, Palmgrove, Lagos.
AUDITORS:	Ernst and Young (Chartered Accountants) 10th & 13th Floor UBA House, 57, Marina, Lagos.
AUDIT COMMITTEE:	Hon. Magnus Onyibe - Chairman Alhaji Mustapha I. Jinadu - Member Prince Boniface Nwabuko - Member Chief Edmund U. Njoku - Member Mr. David O. Oguntoye JP. - Member Engr. Amresh Shrivastava - Member
Holding and Ultimate Holding Company:	Scoa International, SA (68.25%)
MAJOR BANKERS:	Access Bank Plc. ECO Bank Plc. Enterprise Bank Plc. First City Monument Bank Plc. SKYE Bank Plc. Union Bank Plc.
KEY SOLICITORS:	Balogun, Majekodunmi & Bianchi C.O. Toyin Pinheiro & Co. S.P.A. Ajibade & Co.

Brief Corporate Profile

SCOA Nigeria Plc commenced business as a private company in Kano 1926; it was incorporated as a Limited Liability Company in June, 1969. It has since undergone a monumental transformation to become on of Nigeria's foremost Multinational Companies and listed on the Nigeria Stock Exchange since 1977 with an authorised share capital of N1,000,000,000.00 and fully paid up share of N324,737,000.00 made up of 649,474,000 ordinary shares of 50k each.

The Company's Head Office and nerve center is located at 157 Apapa/Oshodi Expressway, Isolo, Lagos, Nigeria and it operates a network of branches in Abuja, Kaduna, Kano, Port Harcourt and Warri.

The principal activities of the Company comprise of the following:

- **Agriculture:** assembly of tractors and implements, execution of grain storage projects and irrigation projects, sale of harvesters and other equipment.
- **Power:** assembly of generators, fabrication of soundproof canopies, execution of power plants and power projects including transmission and distribution.
- **Construction:** execution of road and infrastructural projects.
- **Equipment:** sale/distribution of earth-moving, road construction, concrete, industrial, and professional cleaning equipment.
- **Motor Vehicles:** sales, leasing, and service of passenger cars, trucks and other commercial vehicles.
- **Delicatessen:** import and sale of delicatessen and fine foods and drinks.
- **Assembly of Vehicles:** Assembly of MAN Truck and Buses at the Company's new Assembly Plant.

The divisions are independently managed by seasoned Nigerian and expatriate professionals.

The Company's major Business Partners include: Benninghoven, Bosch, Ciber, CNH, Doosan, Everdigm, F.G. Wilson, Fiori, Hamm, Imer, Ingersoll Rand, Karcher, Kleemann, Mahindra, MAN, Mikasa, Perkins, Peugeot, Rabaud, SKF, Vogele, Wirtgen.

Scoa Nigeria Plc. has a subsidiary Company, Scoa Properties Limited. It also has equity interests in Scoa Foods Limited, AFN Brokers Limited and Peugeot Automobile Nigeria Limited.

Financial Highlights

	Group 2014 N'000	Group 2013 N'000	Company 2014 N'000	Company 2013 N'000
Revenue	6,440,132	6,226,919	6,440,132	6,226,919
Profit before Tax	88,444	144,906	87,996	157,420
Income Tax Expense	91,033	(34,168)	91,033	(34,168)
Profit after Tax	179,477	110,738	179,029	123,252
Dividend	42,002	14,954	42,002	14,954
Capital Expenditure	759,164	273,459	360,164	273,459
Depreciation of Fixed Assets	470,573	342,656	470,573	342,656
Shareholders' Fund	3,019,289	2,944,087	2,940,331	2,865,577
Per 50kobo Ordinary Share Data				
Basic Earnings	0.28	0.17	0.28	0.19
Dividend	7.5k	15k	7.5k	15k
Net Assets	465k	453k	452k	441k
Stock Exchange Quotation as at 31st December	467k	532k	467k	552k
Number of Shareholders	44,212	44,187	44,212	44,187
Number of Employees	123	126	123	126

Brief Profile of the Board of Directors

MR. HENRY AGBAMU: A highly experienced lawyer and Corporate Manager, Mr. Henry Agbamu was the Company's Group Company Secretary and Legal Adviser between 1979 and 1985. He was appointed the Company's Deputy Managing Director on 4th April, 1985 a position from which he voluntarily retired on 16th January, 1998; and was appointed the Chairman of the Board of Directors on same date.

DR. MASSAD FARES BOULOS: Dr. Massad Fares Boulos holds a Doctorate degree in Jurisprudence, Bachelor degree in International and Comparative Law, and Bachelor degree in Business Administration and Economics. Dr. Boulos had internship and training in several Companies and Law Firms in the United States of America as well as in France. He has had a considerable work experience in Business Management within the Fadoul Group of Companies. He joined Scoa Nigeria Plc. in 1996 as the Director of Operations and was appointed the Managing Director/CEO in January, 1998.

MR. MICHEL ZOHAIR FADOUL: Mr. Michel Zohair Fadoul, holds a Bachelor degree in Mathematics. He is the Founder and President of Fadoul Group of Companies comprising of about ninety companies engaged in highly diversified activities located in Africa, Europe and the Middle East with over 20,000 employees. Some of these Companies are now Multinationals in the West African Sub Region.

MR. CLAUDE KIEFFER: A seasoned business executive with considerable business experience, Mr. Claude Kieffer is a Director of the Paris based Scoa International, the technical partner of Scoa Nigeria Plc.

MRS. FARIDA FADOUL: Mrs. Farida Fadoul is a Civil Engineer with vast business management experience in various fields. She serves as a Trustee and a Director on several Boards of Fadoul Group of Companies. She became a Director on 12th March, 1996.

ALHAJI GAMBO LAWAN: Former civil servant and current businessman. He is a Member and Chairman of various Boards. He holds Fellowships of Institute of Public Administrators of Nigeria and that of Institute of Industrialists and Corporate Administrators. He joined the Board in 2004.

ENGR. AMRESH SHRIVASTAVA: A mechanical engineer, Mr. Amresh Shrivastava holds a Bachelor of Engineering (Mechanical) obtained in 1980. He had a successful career with Atlas Copco of India where he held various management positions. He was the General Manager/CEO of BHN Plc. (Blackwood Hodge), Lagos between 1998 and 2002. Engr. Shrivastava joined Scoa Nigeria Plc. as the General Manager in charge of Scoa Trac division in 2002. He was promoted Executive Director of Operations in 2009, Sales Director in 2011 and Deputy CEO in 2014.

PRINCE BONIFACE NWABUKO: Holds a Bachelor of Science Degree in Zoology from the University of Ibadan, and an Advanced Diploma in Management from the University of Lagos in 1993. He started his working career as an Audit staff with the Firm of Deloitte Haskins and Sells in 1978. Prince Boniface Nwabuko was the Assistant Commercial Manager for National Trucks Manufacturers Limited, Kano between 1981 and 1988 after which he joined Scoa Nigeria Plc. as a Branch Manager in 1988. An adroit and hardworking marketing executive, Prince Nwabuko ascended the management ladder as Zonal Manager, Assistant General Manager, Deputy General Manager, and General Manager, Corporate Sales, Abuja. He voluntarily retired in December, 2009 and was appointed a Non-Executive Director on 23rd December, 2009.

CHIEF ODUNAYO OLAGUNDOYE: An articulate and a seasoned Banker rising to enviable heights of Managing Director/CEO of former Chartered Bank Plc. and National Bank of Nigeria Limited. Chief Olagundoye, a reputable Systems Engineer, commands interesting credentials and experiences. He holds various directorship positions including currently working as Chairman of Quantum Capital Assets Management Limited, Lagos.

HON. MAGNUS CHUKWUMA ONYIBE: A two term Commissioner in Delta State, first as Commissioner for Information and then Commissioner for Special Duties, Hon. Magnus Onyibe is a seasoned Public Servant and astute private Sector Investor who had worked in the financial services sector at management level both in Nigeria Reinsurance Corporation and in Continental Trust Bank Limited.

He holds a Global Master of arts , MA degree with specialization in International Finance/Negotiation from Fletcher School of Law and Diplomacy; Master of Technology, M-tech with specialization in Technology & Development of SMEs from University of Technology, Akure; and Master in Business Administration, MBA from Enugu State University of Technology, ESUT Business School, Enugu.

He is currently the Chairman of Inspire Group, with interest in real estate, auto services and risk management.

Hon. Magnus Onyibe joined the Board in December, 2012.

Notice Of Meeting

Notice is hereby given that the 47th Annual General Meeting of Members of Scoa Nigeria Plc will be held at Nicon Luxury Hotel, Plot 903 , Tafawa Balewa Way, Area 11, Garki, Abuja on Wednesday, 30th September, 2015 at 11.00am to transact the following business:

1. To lay before the Members, the Report of the Directors, the balance sheet as at 31st December 2014, with the profit and loss account for the year ended on that date, together with the Reports of the Auditors and of the Audit Committee.
2. To declare a Dividend.
3. To re-elect the Directors.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To elect Members of the Audit Committee.

Dated 29th April, 2015

By Order of the Board

OLANREWAJU O. OBADINA
FRC/2015/NBA/00000012339
COMPANY SECRETARY/LEGAL ADVISER

PROXY:
A member of the company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her place and such a proxy need not be a member of the company. Executed proxy forms should be returned to reach the Registrars, Africa Prudential Registrars Plc., 220B Ikorodu Road, Lagos, not less than 48 hours before the time of the meeting.

DIVIDEND WARRANTS:
If the recommended Dividend is approved, the warrants will be posted on 6th October, 2015 to Shareholders whose names are in the Register of Members at the close of business on 24th August, 2015.

CLOSURE OF REGISTER OF MEMBERS:
The Register of Members and Transfer Books shall be closed between 25h and 28th August, 2015 (both dates inclusive) for the purpose of updating the Register of Members.

UNCLAIMED SHARE CERTIFICATES AND DIVIDEND WARRANTS:
This is to inform all shareholders that the Company is holding share certificates and dividend warrants which have been returned by the Post Office as unclaimed, while some dividend warrants sent to shareholders' registered addresses are yet to be presented for payment or returned to the company for revalidation.

Affected shareholders are hereby advised to write to the Company Secretary or the Registrar for collection and or revalidation of share certificates and/or stale dividend warrants.

AUDIT COMMITTEE:
Any Member may nominate a Shareholder for election as a Member of the company's Audit Committee by giving Notice in writing of such nomination to the Company Secretary, at least 21 days before the Annual General Meeting.

E-DIVIDEND/E-BONUS:
Shareholders are reminded to open bank accounts and CSCS accounts for the purpose of dividend payments and bonus issues. To assist in this regard, a detachable form of E-Dividend Mandate provided in this Annual Report and Accounts for completion and return to the Registrars, Africa Prudential Registrars Plc., 220B Ikorodu Road, Palmgrove, Lagos.

Chairman's Statement

You are welcome to this 2014 Annual General Meeting of our Company. I have captured here a statement of affairs of our Company during this term which will give you the opportunity to appreciate how the Company performed to December, 31st.

THE NIGERIAN ECONOMY IN REVIEW

The Nigerian economy witnessed difficult moments in 2014 resulting in major distractions during the year under review.

The drastic fall in oil prices in the International Oil Market contributed in no small way to weaken our domestic propensity to spend and meet our obligations. Arising therefrom, is the devaluation of the local currency thus, leading to high inflation. Furthermore, the persistent poor power supply forced several small and medium enterprises to fold up while bigger counterparts embarked on various cost saving measures, including laying off staff. The insurgency in the North Eastern part of the Country, popularly known as Boko Haram, continued to ravage the Country thus compounding the problem of insecurity. Similarly, the Ebola scourge diverted attention from economic recovery efforts to battling for survival. These setbacks coupled with the increasing reluctance and inability of debtors to meet payment obligations impacted the economy negatively and rendered many businesses unprofitable.

COMPANY OPERATIONS

The Policy of Government to establish Auto Assembly Plants locally to industrialize the economy induced us to establish MAN Trucks Assembly Plant. The Plant which is the first European Trucks Assembly Plant in Nigeria under the new policy will be commissioned in 2015. The Plant is to assemble various models of MAN TRUCKS, tailored for the business of the Economy. This will create more job opportunities for the teeming Nigerian Youths as well as provide a solid base for our Automobile activities.

We are now strongly penetrating the Road Construction Industry. After completing the 26 kilometer Ekiti State Road, we moved on to the rehabilitation and construction of another 19 kilometer road project also in the same State. Towards year end we were awarded a dual carriage Federal Road project in KOGI STATE, construction of which has commenced.

We are confident more Road Rehabilitation/Construction Projects will be awarded to us later in the year. Our success story in this Industry stems partly from the fact that we sell and service a full complement of world class Construction Equipments.

Our Equipment division, continues to gain reputation as the supplier of New Holland Agric Tractors and Implements. In order to add value to the efficiency of the performance of our tractors, we have re-equipped our Technical Training School to enhance the technical skills of Tractor Operators.

In Power Generation, our company assembles generators, fabricates sound proof canopies, executes power plants and power projects and distributes and maintains F. G. Wilson Generators of various capacities, among others.

Our technical training school is equipped:

- To provide technical know how for Operator of all Construction Equipment that we Sell and Service.
- To provide operating skills for all Agric Tractor Operators.
- To provide driving skills for MAN Truck drivers.

RESULTS AND DIVIDEND

Group Turnover for the year was =N=6.8billion while Profit for the year was =N=179.4million.

The Directors recommend a dividend payout of 7.5 kobo. This shall be subject to the deduction of the appropriate withholding tax. Our Directors have decided to reinvest in the MAN TRUCKS Assembly Plant, rather than distribute all the available profit. It is anticipated that this decision will yield appreciable dividend in the foreseeable future.

FUTURE PROSPECTS

Our future prospects are quite bright particularly in the following, excluding what is currently on the drawing board:

- Automobile Assembly (mainly MAN TRUCKS of various models and Mass Transit Buses). The MAN Assembly Plant located in Isolo-Lagos, is another window of opportunity to capture the Trucks business in Nigeria, the reemergence of the Nigerian Railways notwithstanding.
- The recent acquisition of BOSCH Franchise for the establishment of Auto Marts round the country, of supply and maintenance of original Auto parts and Consumables. No doubt Nigerian Auto Users deserve nothing less.
- Road Construction and Rehabilitation Projects.

CONCLUSION

Although the general operating climate is difficult and unpredictable, we are doing our best by creating value always to ensure we succeed.
Our Board is therefore leaving no stone unturned to guarantee a stable, dependable and profitable Company. We shall continue to count and depend on all our staff and stakeholders for their support.

Thank you all for your patience and understanding.

HENRY AGBAMU
FRC/2013/NIM/00000003968
CHAIRMAN

Report of the Directors

The Directors are pleased to present to the Members of Company their Report with the Audited Financial Statements for the year ended 31st December, 2014.

LEGAL FORM:
Scoa Nigeria Plc., which commenced operations in Nigeria in 1926, was incorporated as a Limited Liability Company in June, 1969 with Registration No. RC. 6293. The Company was listed on the Nigerian Stock Exchange in 1977.

PRINCIPAL ACTIVITIES:
The principal activities of the Company include: distribution, maintenance and leasing of motor vehicles; assembly, sales, and servicing of power generators; sale, servicing and repairs of earth-moving and construction equipment, industrial compressors, agricultural tractors, machinery and implements; manufacturing of metal, interior designs; supply of medical systems, general merchandising and supermarket; production of fruit juices and foods.

MAJOR BUSINESS PARTNERS: The Company's major business partners include: Benninghoven, Bosch, Ciber, CNH, Doosan, Everdigm, F. G. Wilson, Fiori, Hamm, Imer, Ingersoll Rand, Karcher, Kleemann, Mahindra, MAN, Mikasa, Perkins, Peugeot, Rabaud, SKF, Vogele, Wirtgen.

REVIEW OF BUSINESS AND FUTURE PROSPECTS:
The review of the company's business as contained in the Chairman's Statement is an integral part of the Directors' Report and should be read in conjunction therewith.

RESULTS FOR THE YEAR:

		The Group		**The Company**
	2014	**2013**	**2014**	**2013**
	N'000	**N'000**	**N'000**	**N'000**
Revenue	6,440,132	6,226,919	6,440,132	6,226,919
Profit before Taxation	88,444	144,906	87,996	157,420
Taxation	91,033	(34,168)	91,033	(34,168)
Profit for the Year	179,477	110,738	179,029	123,252

DIVIDEND:
The Directors are recommending to members the payment of a dividend of **7.5 kobo** (2013: 15k) per 50k share amounting to **N48,736,925 (2013: N97,473,850)**. This dividend is subject to approval by the shareholders at the Annual General Meeting (AGM) and has not been included as a liability in the financial statements. The proposed dividend is subject to deduction of appropriate withholding tax.

FIXED ASSETS:
Information relating to changes in fixed assets during the year is given in **Note 18** to the financial statements. In the opinion of the Directors, the market value of the group's properties is not less than the value shown in the accounts.

The Roles of the Board
The responsibilities of the Board of Directors include the following, amongst others:

- Policy formulation and planning
- Periodic review and evaluation of management performance.
- Monitoring and enforcing effective internal control through appropriate committee.
- Risk management and preservation of Company's assets.
- Management of share capital.
- Determination and periodic review of appropriate organizational structure;
- Succession planning and appointment, training, remuneration and replacement of Board members and senior management;
- Overseeing the effectiveness and adequacy of internal control systems;
- Overseeing the maintenance of the group's communication and information dissemination policy;
- Performance appraisal and remuneration of Board members and senior executives;
- Review of reports and recommendations of its committees;
- Maintaining healthy communication and interaction with shareholders;
- Ensuring the integrity of financial reports.

DIRECTORS' INTREST IN CONTRACTS
None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria 2004, of any declarable interest in contracts with which the Company is involved as at 31st December 2014.

SHAREHOLDINGS

The issued and fully paid share capital of the Company as at 31st December 2014 was beneficially owned as follows:

	%
SCOA International SA:	**68.25**
Others:	**31.75**
	100.00

No Shareholder other that Scoa International SA holds five percent or more of the equity shares of the Company.

ACQUISITION OF OWN SHARES

The Company did not acquire any of its shares during the year.

FORMAT OF FINANCIAL STATEMENTS

The Financial Statements have been prepared in accordance with the reporting and presentation requirements of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria 2004, and are in compliance with the International Financial Reporting Standard reporting format as approved by the Financial Reporting Council of Nigeria. The Directors consider that the format adopted is the most suitable for the Company.

DIRECTORS' INTEREST IN SHARES

Directors' interest in the issued share capital of the Company as recorded in the Register of Members and/or notified by them are as follows:

	2014 Number	**2013 Number**
Mr. Henry Agbamu	137,843	137,843
Dr. Massad F. Boulos	1,150	1,150
Prince Boniface Nwabuko	2,500	2,500

None of the Directors has notified the Company for the purpose of Section 277 of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria 2004 of any declarable interest, in any contract, in which the Company was involved during the year under review.

BOARD OF DIRECTORS:

The names of the Directors are shown on page 2.

The Directors to retire by rotation in accordance with the Articles of Association of the Company are Chief Odunayo Olagundoye and Engr. Amresh Shrivastava, the Directors who are retiring by rotation and who being eligible offer themselves for re-election.

The Board has the following Committees:

1. **Governance and Remuneration Committee:**
   Engr. Amresh Shrivastava - Chairman
   Alhaji Gambo Lawan
   Mrs. Farida Fadoul

2. **Risk Management Committee:**
   Mr. Michel Fadoul (Alternate Dr. M.F. Boulos) - Chairman
   Engr. Amresh Shrivastava
   Alhaji Gambo Lawan
   Prince B. Nwabuko

3. **Statutory Audit Committee:**
   Hon. Magnus C. Onyibe - Chairman
   Alhaji Mustapha I. Jinadu
   Chief Edmund U. Njoku
   Prince Boniface Nwabuko
   Mr. David O. Oguntoye, JP
   Engr. Amresh Shrivastava

RECORD OF ATTENDANCE OF BOARD AND COMMITTEE MEETINGS

In accordance with Section 258 sub-section 2 of the Companies and Allied Matters Act, Cap. 20, LFN, 2004 the record of attendance of Directors, its Committees and the Statutory Audit Committee meetings in the year under review is published herewith:

1. Board of Directors:

	Name	04.02.14	27.03.14	19.08.14	29.10.14	TOTAL
1.	Mr. Henry Agbamu (Chairman)	P	P	P	P	4
2.	Dr. Massad F. Boulos	P	P	P	P	4
3.	Mr. Michel Fadoul	X	P	X	P	2
4.	Mrs. Farida Fadoul	P	P	X	X	2
5.	Mr. Claud Kieffer	X	P	P	X	2
6.	Alhaji Gambo Lawan, AMNIM	X	P	P	P	3
7.	Prince Boniface Nwabuko	P	P	P	P	4
8.	Chief. Odunayo Olagundoye	P	P	P	X	3
9.	Hon. Magnus Onyibe	P	P	P	P	4
10.	Engr. Amresh Shrivastava	P	P	P	P	4

2. Governance and Remuneration Committee

	Name	27.03.14	29.10.14	TOTAL
1.	Engr. Amresh Shrivastava (Chairman)	P	P	2
2.	Alhaji Gambo Lawan, AMNIM	P	P	2
3.	Mrs. Farida Fadoul	P	P	2

3. Risk Management Committee

	Name	23.06.14	23.10.14	TOTAL
1.	Dr. Massad F. Boulos (Attorney for Mr. Michel Fadoul Chairman)	P	P	2
2.	Engr. Amresh Shrivastava	P	P	2
4.	Alhaji Gambo Lawan	P	P	2

4. Statutory Audit Committee

	Name	28.01.14	25.03.14	27.03.14	19.12.14	TOTAL
1.	Hon. Magnus Onyibe (Chairman)	P	P	P	P	4
2.	Alhaji Mustapha Jinadu	P	P	P	P	4
3.	Chief Edmund U. Njoku	P	P	P	P	4
4.	Prince Boniface Nwabuko	P	P	P	P	4
5.	Mr. David O. Oguntoye, JP	P	P	P	P	4
6.	Engr. Amresh Shrivastava	P	P	P	x	3

KEY: Please note that P represents Present, X represents Absent.

COMPANY SECRETARIAT:

The former Company Secretary, Mr. Michael A. Adeyemi, retired from the Company on 28th February, 2015 after sixteen years of meritorious services. Please join the Board and Management in thanking Mr. Michael Adeyemi for his contributions to the Company. He has since been replaced with Mr. Olanrewaju O. Obadina as Company Secretary/Legal Adviser for whom we solicit your cooperation.

SUBSTANTIAL INTEREST IN SHARES

No shareholders other than SCOA International SA, holds five percent or more of the shares of the Company.

CORPORATE GOVERNANCE

The Board of Directors of the Company is aware of the Code of Best Practices in Corporate Governance issued by the Securities and Exchange Commission in the administration of the Company and is ensuring that the company complies with it.

The Board is responsible for keeping proper accounting records with reasonable accuracy. It is also responsible for safe guarding the assets of the Company through prevention and detection of fraud and other irregularities.

The Board has a Remuneration Committee made up of three of its Members.

The Company has a Share Transfer Committee. It also has an Audit Committee made up of six Members with three Directors and three Representatives of the Shareholders. The report of the Committee and details of its membership are set out on page 16.

DONATIONS:
The Company did not make any donations during the year.

EMPLOYMENT AND EMPLOYEES

A) EMPLOYEES INVOLVEMENT AND TRAINING:
The company continues to observe industrial relations practices such as collective bargaining and briefing employees on the developments in the company during the year under review. Various incentive schemes for staff were maintained during the year while regular training courses were carried out for the employees.
Educational assistance towards professional qualifications was provided to deserving members of staff. Different cadres of staff were also assisted with payment of subscriptions to various professional bodies during the year.

B) HEALTH, SAFETY AND WELFARE OF EMPLOYEES:
The Company places high premium on health, safety and welfare of its employees. Health and safety regulations were observed in all of the company's locations and free medical care was extended to all employees. Health boosting measures such as supply of milk and washing detergents were given to welders, panel-beaters, wood-workers and painters. Fire fighting equipments were also installed at strategic locations.
Quarterly visits were made by officials of the Federal Ministry of Labour to our various locations during which they were satisfied with our compliance measures.

C) EMPLOYMENT OF PHYSICALLY CHALLENGED PERSONS:
The company had no physically challenged persons in its employment during the year under review. The Company does not discriminate in its employment policy as regards able bodied and physically challenged individuals.

RESPECT FOR LAW
Scoa Nigeria Plc. ensures that all its operations and activities conform to the relevant laws of the Country. It also ensures that its employees are encouraged to comply with the various laws and regulations of the Country.

DISTRIBUTION OF THE COMPANY'S PRODUCTS
The Company's products are distributed through its network of branches, which are located nationwide.

UNCLAIMED DIVIDENDS
The unclaimed dividends arising from dividends 1-37, which have not been acknowledged as at 31st December, 2014 were N27,003,671.49. Shareholders are advised to contact the Registrars, Africa Prudential Registrars Plc, 220B Ikorodu Road, Palmgrove, Lagos, for any of their outstanding dividends.

Shareholders are advised to contact the Registrars, Africa Prudential Registrars Plc, 220B Ikorodu Road, Palmgrove, Lagos, for any of their outstanding dividends.

E-DIVIDEND/E-BONUS
Shareholders are strongly advised to complete the E-Dividend Mandate Forms and return them to the Registrars to update their records.

SUPPLIERS
The Company's raw materials and finished goods are obtained at arm's length basis from both local and overseas suppliers.

INDEPENDENT AUDITORS
The Independent Auditors, Messrs Ernst and Young have indicated their willingness to continue in office in accordance with Section 357(2) of the Companies and Allied Matters Act, 1990. A resolution will be proposed authorizing the Directors to fix their remuneration.

Dated this 29th day of April, 2015
By Order of the Board

MICHAEL A. ADEYEMI, ACIS, NMIM
FRC/2013/ICSAN/00000002290
COMPANY SECRETARY
Scoa Nigeria Plc.
157 Apapa/Oshodi Expressway,
Isolo, Lagos.

THE BOARD

The company's primary corporate governance structure is the Board of Directors which is run on a democratic collegial basis. The Directors of the Company comprise one Managing Director, one Executive Director and the other Directors who are either representative of majority shareholders or in the case of Chief Odunayo Olagundoye, Alhaji Gambo Lawan and Hon. Magnus Onyibe are completely independent.

MEETINGS

The Board held four meetings during the year and the record of attendance is as published on page 11.

CONFLICTS OF INTEREST

All Directors and employees are expected to avoid direct or indirect conflicts of interest. Where a conflict of interest may arise in a matter to be decided by the Board of Directors, the Director concerned is expected to inform the Board and abstain from voting. Transactions between the Company and Directors, where they arise, take place at arm's length.

During the year under review, there has been no transactions and other contractual relationships between the Company and its Board members and managers, which are not covered by its legal provisions on conflicts of interest. Transactions with related parties were for management fees, interest on loan, purchase and supply of equipment, materials and services respectively.

INSIDER DEALING AND MARKET ABUSE IN SHARES

The use of insider or unpublished information about the Company in buying or selling of its shares is strictly forbidden. In order to comply with legislation on insider dealing and market manipulation (market abuse), Directors and Executive Management are expected to declare transactions on their own account, in the shares of and all financial instruments of the company. Where such transaction is significant, it will be disclosed to the market. There were no such transactions in the year under review.

STATUTORY AUDIT COMMITTEE

The Statutory Audit committee is constituted in accordance with the Companies and Allied Matters Act together with the relevant guidelines set out in the Investment and Securities Act and Corporate Governance code.

The Committee comprises six members, three Directors and three representatives of shareholders who are elected at the Annual General Meeting. The three members who represent the Board are nominated by the Board.

The Chairman of the committee is elected at the first meeting of the audit committee. The committee met four times during the year.

The report of the committee is as shown on page 16. The current Chairman is Hon. Magnus Onyibe. The records of attendance of their meetings is on page 11.

RISK MANAGEMENT COMMITTEE

The Board appoints a risk management committee and it comprises of the Executive Directors and one non-executive director whose function is to evaluate significant risks to the company. The committee met two times during the year.

GOVERNANCE AND REMUNERATION COMMITTEE

This Committee of the board has four Directors. The Chairman of the Committee is Mr. Michel Fadoul. The committee held two meetings during the year.

COMPANY SECRETARY

All Directors have access to the services of the Company Secretary and may take independent professional advice at the Company's expense.

The Company Secretary is also responsible for facilitating the induction and professional development of Board members as well as ensuring good information flows within the Board, its committees and between the non-executive directors.

The Company Secretary during the year was Mr. Michael Adekunle Adeyemi.

INTERNAL CONTROL AND INTERNAL AUDIT

The Board of Directors has put in place a well established internal control mechanism in the company with a view to ensuring that:

- Proper accounting statements are maintained.
- Applicable accounting statements are followed.

- Suitable accounting policies are adopted and consistently applied.
- Adequate internal control procedures are instituted to safeguard assets, prevent and detect frauds and other irregularities.
- It is appropriate for the financial statement to be prepared on a concern basis unless it is presumed that the company will not continue in business.
- Judgement and estimates made are reasonable and prudent.

Pursuant to the foregoing, it has also established an efficient and effective internal audit department whose function reports to the Managing Director. For its day-to-day and project work, the department is guided by the instructions of the Audit Committee and the Company's Internal Audit Procedures Manual.

Dated this 29th day of April, 2015

MICHAEL A. ADEYEMI, ACIS, MNIM
FRC/2013/ICSAN/00000002290
Company Secretary.

Statement of Directors' Responsibilities

For the year Ended 31 December 2014

SCOA Nigeria Plc
(RC 6293)

The Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Group at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004;

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board, Financial Reporting Council of Nigeria Act No. 6, 2011 and the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit for the year ended31 December 2014. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

Mr. Henry Agbamu	**Dr. Massad F. Boulos**
FRC/2013/NIM/000003968	**FRC/2013/IODN/000003008**
Chairman	**Group Managing Director**

Report of the Statutory Audit Committee

To the Members of Scoa Nigeria Plc.

In compliance with the provisions of Section 359 (6) of the Companies and Allied Matters Act, Cap. C20, Laws of the Federation of Nigeria, 2004, we, the Members of the Statutory Audit Committee of Scoa Nigeria Plc., having carried out our functions under the Act, confirm that the accounting and reporting policies of the Company as contained in the Audited Financial Statements for the year ended 31st December, 2014 are in accordance with legal requirements and agreed ethical practices.

We confirm that the external Independent Auditors, Messrs Ernst and Young, Chartered Accountants have issued an unqualified opinion on the Company's Financial Statements for the year ended 31st December 2014.

In our opinion, the scope and planning of the Audit for the year ended 31st December, 2014 were adequate and we confirm that the responses by the Management to the External Auditors findings on Management matters were satisfactory.

HON. MAGNUS ONYIBE
Chairman, Audit Committee
FRC/2015/NIM/000000012338
Dated this 29th April, 2015

Members of the Statutory Audit Committee:

Hon. Magnus Onyibe	-	Chairman
Alhaji Mustapha Jinadu	-	Member
Chief Edmund U. Njoku	-	Member
Prince Boniface Nwabuko	-	Member
Mr. David O. Oguntoye, JP.	-	Member
Engr. Amresh Shrivastava	-	Member

The former Company Secretary, Mr. Michael A. Adeyemi acted as the Committee's Secretary during the year.

Independent Auditors' Report

to the Members of Scoa (Nigeria) Plc

EY
Building a better working world

Ernst & Young
10th Floor, UBA House
57, Marina
Lagos, Nigeria

Tel: +234 (01) 844 996 2/3
Fax: +234 (01) 463 0481
Email: services@ng.ey.com
www.ey.com

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of SCOA (Nigeria) Plc and its subsidiaries, which comprise the consolidated financial position as at 31 December 2014, consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes comprising a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004 and for such internal control as the Directors determines necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of SCOA (Nigeria) Plc and its subsidiaries as at 31 December 2014 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, Financial Reporting Council of Nigeria Act No 6, 2011 and the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, 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) in our opinion, proper books of account have been kept by the Group, so far as appears from our examination of those books.

iii) the Group's consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income are in agreement with the books of account;

Funmi Ogunlowo,
FCA/FRC/2012/ICAN/00000000681
For: Ernst & Young
Chartered Accountants
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
A0776376

30 April 2015

Consolidated Statement of Comprehensive Income

for The Year Ended 31 December 2014

	Notes	The Group		The Company	
		2014 N'000	2013 N'000	2014 N'000	2013 N'000
Revenue	7	**6,440,132**	**6,226,919**	**6,440,132**	**6,226,919**
		========	========	========	========
Sales	8	6,440,132	6,226,919	6,440,132	6,226,919
Cost of Sales	9	(5,017,555)	(4,576,626)	(5,017,555)	(4,575,484)
Gross Profit		1,422,577	1,650,293	1,422,577	1,651,435
Distribution Expenses	10	(53,697)	(55,331)	(53,697)	(55,331)
Administrative expenses	11	(1,148,700)	(1,018,274)	(1,148,380)	(1,016,724)
Other operating income	12	341,758	98,193	341,758	98,193
Result from operating activities		561,938	674,881	562,258	677,573
Finance income	13.1	31,771	2,935	31,771	2,935
Finance costs	13.2	(506,033)	(523,088)	(506,033)	(523,088)
Share of profit /(loss) of associate	14	768	(9,822)	-	-
Profit before taxation		**88,444**	**144,906**	**87,996**	**157,420**
Taxation	15.1	91,033	(34,168)	91,033	(34,168)
Profit for the year		**179,477**	**110,738**	**179,029**	**123,252**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Actuarial (Loss)/gain	16	(9,716)	49,724	(9,716)	49,724
Tax effect	16	2,915	(15,912)	2,915	(15,912)
Total other comprehensive (loss)/income net of tax		(6,801)	33,812	(6,801)	33,812
Total comprehensive income		**172,676**	**144,550**	**172,228**	**157,064**
		========	========	========	========
Profit attributable to:					
Equity holders of the company		179,637	111,131	179,029	123,252
Non-controlling interests		(160)	(393)	-	-
		179,477	110,738	179,029	123,252
		========	========	========	========
Profit attributable to:					
Equity holders of the company		172,836	144,943	172,228	157,064
Non-controlling interests		(160)	(393)	-	-
Profit for the year		**172,676**	**144,550**	**172,228**	**157,064**
		========	========	========	========
Earnings per share:					
Basic/diluted earnings per share (Naira)	17	**0.28**	**0.17**	**0.28**	**0.19**

Consolidated Statement of Financial Position

as at 31st December, 2014.

	Notes	THE GROUP 31ST DEC. 2014 N'000	THE GROUP 31ST DEC. 2,013 N'000	THE COMPANY 31ST DEC. 2014 N'000	THE COMPANY 31ST DEC. 2013 N'000
ASSETS					
Non-current assets					
Property, plant & equipment	18	2,045,695	1,414,448	1,147,245	914,998
Investment in subsidiary	19	-	-	250,000	250,000
Investment in associate	20	76,956	76,188	243,000	243,000
Total non-current assets		**2,122,651**	**1,490,636**	**1,640,245**	**1,407,998**
Current assets					
Inventories	21	4,078,959	3,561,136	4,078,959	3,561,136
Trade and other receivables	22	2,514,192	1,886,740	2,514,192	1,886,740
Due from related companies	23	524,545	407,793	926,277	410,255
Prepayments and other assets	24	488,053	488,765	488,053	488,765
Cash and cash equivalent	25	147,820	222,476	146,801	221,458
Total current Assets		**7,753,568**	**6,566,910**	**8,154,282**	**6,568,354**
Total assets		**9,876,219**	**8,057,546**	**9,794,526**	**7,976,352**
Equity and liabilities					
Equity					
Share capital	26	324,737	324,737	324,737	324,737
Share Premium	26	194,418	194,418	194,418	194,418
Retained earnings		2,251,866	2,176,504	2,421,176	2,346,422
Non-controlling interest	19	248,268	248,428	-	-
Total Equity		**3,019,289**	**2,944,087**	**2,940,331**	**2,865,577**
Liabilities					
Non-current liabilities					
Deferred tax liabilities	15.3	9,952	133,439	9,952	133,439
Employee benefit liability	16	62,403	47,093	62,403	47,093
Total non-current liabilities		**72,355**	**180,532**	**72,355**	**180,532**
Current liabilities					
Trade and other payables	27	3,770,839	2,399,885	3,769,639	2,397,967
Interest bearing loans & borrowings	28	1,958,776	1,091,767	1,958,776	1,091,767
Income tax payable	15.2	31,165	108,938	31,165	108,173
Provisions	29	43,439	50,657	41,904	50,657
Bank overdraft	30	938,354	1,266,725	938,354	1,266,725
Dividend payable	31	42,002	14,954	42,002	14,954
Total current liabilities		**6,784,575**	**4,932,927**	**6,781,840**	**4,930,243**
Total liabilities		**6,856,930**	**5,113,459**	**6,854,195**	**5,110,775**
Total Equity and Liabilities		**9,876,219**	**8,057,546**	**9,794,526**	**7,976,352**

Note 1-40 from part of the financial statements. Consolidated financial statements of SCOA Nigeria Plc for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the Directors on 29th April, 2015 and were signed on its behalf by:

Henry Agbamu
FRC/2013/NIM/00000003968
Chairman

Dr. Massad F. Boulos
FRC/2013/IOD/00000003008
Group Managing Director

Mrs Angelina I Okereke
FRC/2013/ICAN/00000002373
General Manager Finance

Consolidated Statement of Changes in Equity

as at 31 December 2014

	The Group						The Company					
Year Ended 31 Dec. 2014	Issued Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total N'000	Non controlling Interest N'000	Total equity N'000	Issued Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total N'000	Non controlling Interest N'000	Total equity N'000
At 1 January 2014	324,737	194,418	2,176,504	2,695,659	248,428	2,944,087	324,737	194,418	2,346,422	2,865,577	-	2,865,577
Profit for the year	-	-	179,637	179,637	(160)	179,477	-	-	179,029	179,029	-	179,029
Other comprehensive (loss)	-	-	(6,801)	(6,801)	-	(6,801)	-	-	(6,801)	(6,801)	-	(6,801)
Share of Associate accumulated loss	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	-	172,836	172,836	(160)	172,676			172,228	172,228	-	172,228
Non-controlling interest												
Dividends	-	-	(97,474)	-	-	(97,474)	-	-	(97,474)	(97,474)	-	(97,474)
As at 31 December 2014	324,737	194,418	2,251,866	2,771,021	248,268	3,019,289	324,737	194,418	2,421,176	2,940,331	-	2,940,331
Year Ended 31 Dec. 2013												
At 1 January 2013	324,737	194,418	2,253,129	2,772,284	248,821	3,021,105	324,737	194,418	2,245,308	2,773,463	-	2,773,463
Profit for the year	-	-	110,738	110,738	(393)	110,345	-	-	123,252	(123,252)	-	(123,252)
Other comprehensive income	-	-	33,812	33,812	-	33,812	-	-	33,812	33,812	-	33,812
Total Comprehensive Income	-	-	144,549	144,549	(393)	144,157	-	-	157,064	157,064	-	157,064
Share of Associate accumulated loss	-	-	(156,225)	(156,225)	-	(156,225)	-	-	-	-	-	-
Dividends	-	-	(64,950)	(64,950)	-	(64,950)	-	-	(64,950)	(64,950)	-	(64,950)
At 31 December 2013	324,737	194,418	2,176,504	2,695,659	248,428	2,944,087	324,737	194,418	2,346,422	2,865,577	-	2,865,577

Consolidated Statement of Cash Flows

for The Year Ended 31 December 2014

		The Group		The Company	
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2014 N'000	2013 N'000	2014 N'000	2013 N'000
Receipt from customer		6,046,943	5,905,869	6,046,943	5,905,869
Payment to suppliers and employees		(5,346,165)	(5,327,420)	(5,745,165)	(5,082,566)
		700,778	578,449	301,778	823,303
Value added tax (output)/input		-	(43,475)		(43,475)
Income tax paid	15.2	(5,980)	(46,017)	(5,980)	(46,017)
Employee benefit	16.2	(4,241)	(2,991)	(4,241)	(2,991)
		690,557	485,966	291,557	730,820
Net cash inflow from operating activities	38				
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of PPE	18	(759,164)	(273,459)	(360,164)	(273,459)
Purchase of investment in subsidiary	19	-	-	-	(245,000)
Finance income	13.1	31,771	2,935	31,771	2,935
Purchase of investment in associate	20	-	(243,000)	-	(243,000)
Net cash used in investing activities		(727,393)	(513,524)	(328,393	(758,524)
CASH FLOWS FROM FINANCING ACTIVITIES					
Finance income receivable and received					
Finance cost paid	13.2	(506,033)	(523,088)	(506,033)	(523,088)
Dividend paid	31	(70,425)	(121,992)	(70,425)	(121,992)
Proceeds from Short-term loan and letter of credit		1,325,642		1,325,642	
Payment of Short-term loan and letter of credit paid		(458,633)	(131,396)	(458,633)	(131,396)
Net cash provided by/(used in) financing activities		290,551	(776,476)	290,551	(776,476)
Increase/(decrease) in cash and cash equivalents		253,715	(804,034)	253,715	(804,180)
Cash and cash equivalents as at 1 January		(1,044,249)	(240,215)	(1,045,267)	(241,087)
Cash and cash equivalents as at 31December	25	(790,534)	(1,044,249)	(791,552)	(1,045,267)

Notes to the Financial Statements

1. Legal form

SCOA Nigeria Plc was established and commenced business as a private company in 1926 and incorporated as a limited liability company in 1969 with a registration number of RC 6293. The company was listed on the Nigerian Stock Exchange in 1977 and has since attained the status of a public limited liability company (Plc) with its shares continue to be traded on the Nigerian Stock Exchange. The company is domiciled in Nigeria.

2.1 Principal activity

The principal activities of the SCOA Nigeria Plc and its subsidiaries (The group) include the distribution, maintenance and leasing of motor vehicles, assembling, sales and servicing of power generators, sales and servicing of earth-moving and construction equipment, industrial compressors, agricultural tractors, machinery and implements. There was no change in the activities of the Group during 2014.

2.2 Basis of preparation

The financial statements of SCOA Nigeria Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in accordance with Companies and Allied Matters act, CAP C20, Laws of the Federation of Nigeria 2004

The consolidated financial statements have been prepared on a historical cost basis except where stated otherwise.

The consolidated financial statements are presented in Naira and all values are rounded to the nearest thousand (N000), except when otherwise indicated.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the SCOA Nigeria Plc and its subsidiaries as at 31 December 2014.

The financial statements of the subsidiaries have been prepared on a historical cost basis. The company accounts for its investment in subsidiaries at cost.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends (if any) are eliminated in full. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises both assets and liabilities of the subsidiary and the related non-controlling interest.

3. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements. These have been applied consistently to all years presented in these financial statements.

3.1. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquirers identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. The groups investments in subsidiaries and associates were all achieved through formation of those entities hence no goodwill has been recognised.

3.2 Investment in an associate

The financial statements of the associate have been prepared on a historical cost basis.

The Group's investment in its associate is accounted for using the equity method. An associate is an entity in which the Group has significant influence. Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The Company's investments in its associate are accounted for using the cost method.
The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. The share of profit of an associate is shown on the face of the income statement. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interests in the subsidiaries of the associate.
The financial statements of the associate are prepared for the same reporting year as the Group. Where necessary, djustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the 'share of profit of an associate' in the income statement.

Upon loss of significant influence over the associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

3.3 Foreign currency translation

The consolidated financial statements of SCOA Nigeria Plc and its subsidiaries are presented in Naira, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. For all years to date the functional and presentation currencies of the company and all subsidiaries have been the Naira.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to profit or loss with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. All subsidiaries and associates are domiciled in Nigeria. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

3.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The following specific recognition criteria must also be met before revenue is recognised:

3.4.1 Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods

3.4.2 Rendering of services

Revenue from the rendering of services is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

3.4.3 Interest income

For all financial instruments measured at amortised cost, interest income or expense is recognised using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the profit or loss.

3.4.4 Construction Contracts

The Group principally operates fixed price contracts if the outcome of such a contract can be reliably measured; revenue associated with the construction contract is recognised by reference to the stage of completion of the contract activity as at year end (the percentage of completion method).

The outcome of a construction contract can be estimated reliably when: (i) the total contract revenue can be measured reliably; (ii) it is probable that the economic benefits associated with the contract will flow to the entity; (iii) the costs to complete the contract and the stage of completion can be measured reliably; and (iv) the contract costs incurred can be compared with prior estimates when the outcome of a construction cannot be recognised only to the extent of costs incurred that are expected to be recoverable.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue (as defined below) multiplied by the actual completion rate based on the proportion of total contract costs (as defined below) incurred to date and the estimated costs to complete.

Contract revenue:

Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they can be reliably measured.

Contract Costs:

Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract. Costs that can relate directly to a specific contract comprise; depreciation of equipment used on the contract; costs of design and technical assistance that is directly related to the contract.

3.4.5 Dividends

Revenue is recognized when Group's right to receive the payment is established.

3.5 Corporate taxes

3.5.1 Current Income Tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.5.2 Deferred Tax

Deferred tax liability is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other compressive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.5.3 Custom duties, VAT and Sales taxes

Revenues, expenses and assets are recognised net of the amount of VAT and sales and other taxes, except:

Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part ofreceivables or payables in the statement of financial position.

3.6 Property, plant and equipment

Property, plant and equipment (PPE) are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalized value of a finance lease is also included within property, plant and equipment. Exchanges of assets are measured at fair value unless the exchange transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up is reliably measurable. The cost of the acquired asset is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. Where fair value is not used, the cost of the acquired asset is measured at the carrying amount of the asset given up.

The straight-line method is adopted to depreciate the cost less any estimated residual value of the assets over their expected useful lives. The Company estimates the useful lives of assets in line with their beneficial years. Where a part of an item of property, plant and equipment has different useful live and is significant to the total cost, (10% of total cost) the cost of that item is allocated on a component basis among the parts and each part is depreciated separately. The useful lives of the group's property, plant and equipment for the purpose of depreciation are as follows:

Plant and Machinery	10 to 15years
Building	12.5 to 33.3 years
Motor vehicles	10 to 15years
Generator set	8 years
Fixtures and equipment	5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Construction assets in progress and freehold land are not depreciated.

Major maintenance and repair (Cost of overhaul): Expenditure on major maintenance or repairs comprises the cost of replacement assets or parts of assets, inspection costs and the costs of overhauling. Where an asset or part of an asset that was separately depreciated is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalized and the carrying amount of the replaced asset is derecognized. Inspection costs associated with major maintenance programs are capitalized and amortized over the year to the next inspection. Routine maintenance and repairs are charged to expense as incurred. Expenditure on major maintenance or repairs comprises the cost of replacement assets or parts of assets. Where an asset or part of an asset that was separately depreciated and is now written off or is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the replacement expenditure is capitalised. Where part of the asset was not separately considered as a component, the replacement value is used to estimate the carrying amount of the replaced assets which is immediately written off. All other maintenance costs are expensed as incurred.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, call deposits and other short term highly liquid investments with an original maturity of three months or less and which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

3.8 Inventories

Inventories represent all assets held by the Groupfor sale in the ordinary course of business or in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services. The Group's inventories primarily consist of raw materials, finished goods and work-in-progress, spare parts. Inventories are stated at the lower of cost and net realisable value. Costs of inventory represent purchase price, freight inwards and transit insurance charges, customs duties, transport and handling costs determined on a first-in-first out (FIFO) basis.

Costs include directly attributable costs incurred in bringing inventories to the present location and condition for intended use by management. In the case of manufactured inventory and work in progress, cost includes an appropriate share of production overheads based on normal activity levels. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value is determined by reference to prices existing at the balance sheet date.

3.9 Leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease term at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Finance charges are allocated to each year so as to achieve a constant rate of interest on the remaining balance of the liability and are charged directly against income. A corresponding financial debt is recognized as a financial liability.Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term. For both finance and operating leases, contingent rents are recognized in the income statement in the year in which they are incurred.

Operating lease rental expenses are charged to the profit and loss account on a systematic basis in line with the time pattern of the benefit derived by the Group. Consequently, when an operating lease is terminated before the lease term has expired; any payment to the lessor that is required by way of penalty is recognized as an expense in the year in which termination takes place.

Certain arrangements do not take the legal form of a lease but convey the right to use an asset or a group of assets in return for fixed payments. Such arrangements areaccounted for as leases and are analyzed to determine whether they should be classified as operating leases or as finance leases.

3.10 Impairment of non-current assets

The Group assesses assets or groups of assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication of impairment exists, the Group makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level (Cash generating unit) at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. An asset's group recoverable amount is the higher of its fair value less costs to sell and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior years can be reversed up to the original carrying amount, had the impairment loss not been recognized. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

3.11 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event for which it is probable that an outflow of resources will be required and when a reliable estimate can be made regarding the amount of the obligation. The amount of the liability corresponds to the best possible estimate.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax risk-free rate that reflects current market assessments of the time value of money. Where discounting is used, the increase in the provision due to the passage of time is recognized within finance costs.

Where applicable, provisions are split between amounts expected to be settled within 12 months of the balance sheet date (current) and amounts expected to be settled later (non-current).

3.11.1 Contingent Liabilities

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group , or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote. Where the Group makes contributions into a separately administered fund for restoration, environmental or other obligations, which it does not control, and the Group's right to the assets in the fund is restricted, the obligation to contribute to the fund is recognized as a liability where it is probable that such additional contributions will be made. The Group recognizes a reimbursement asset separately, being the lower of the amount of the associated restoration, environmental or other provision and the Group's share of the fair value of the net assets of the fund available to contributors.

3.12 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale (a qualifying asset) are capitalized as part of the cost of the respective assets. Borrowing costs consist of interest and other costs that the Groupincurs in connection with the borrowing of funds. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing costs incurred. Where surplus funds are available for a short term out of money borrowed specifically to finance a project, the income generated from the temporary investment of amounts is also capitalized and deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the year.

All other borrowing costs are recognized in profit or loss in the year in which they are incurred.

3.13 Employee benefits

The Group operates two broad employee benefit schemes including contribution plan and defined benefit plan.

3.13.1 Defined contribution plan: Pension

The Group operates a defined contribution pension plan under which the Grouppays fixed contributions into a separate entity for the benefit of qualifying employees. The Grouphas no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years. Under this scheme, both the employer and qualifying employees contribute 7.5% and 7.5% respectively base on each of the employees' eligible allowances in compliance with the provision of the Pension Reform Act, 2004, LFN. Employee contributions to the scheme are funded through payroll deductions, while the Company's contribution recognised as part of staff cost in the profit or loss.

3.13.2 Defined benefit plan

The Group also operates a post-employment benefit plan under which Group's net obligation under the scheme is calculated separately by estimating the amount of future benefit that employees have earned in return for their services in the current and prior years; that benefit is discounted to determine its present value .The discount rate is the market yield at the reporting date on a credit-rated bonds that have maturity dates approximating the terms of the group's obligation and that are denominated in the currency in which the benefit are expected to be paid. The calculation is performed annually by a qualified actuary using the projected credit unit method.

The re-measurement comprising of actuarial gains or losses are recognised immediately recognizes in the statement of financial position with corresponding debits or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Re-measurement are not reclassified to profit or loss in subsequent periods.

Past service cost are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs net interest is calculated by applying the discount rate to the net defined benefit liability. The group recognises the following changes in defined benefit obligation under administrative expenses in the consolidated statement of profit or loss (by function):
- Service costs comprising current service costs, past service costs, gains or losses on curtailments and non-routine settlements
- Net interest expense or income The Group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on settlement or curtailment comprises any resulting change in the fair value of the plan asset and any change in the present value of defined benefit obligation.

3.13.3 Termination benefits:

Termination benefits are recognized as an expense when the Group is demonstrably committed without realistic possible withdrawal , to a formal detail plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefit for voluntary redundancies is recognized as expenses if the Group has made an offer of voluntary redundancy and it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If the benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Short term employee benefits:

These are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Grouphas a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.14 Financial Assets

3.14.1 Initial recognition

The Group's financial assets include cash and short-term deposits, trade and other receivables, and employee loans and receivable and are recognises when the Groupbecomes party to the contract. Financial assets are recognised initially at fair value plus transactions costs that are directly attributable to the acquisition of the asset.

3.14.2 Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets measured at amortized cost

Loans and receivables

Loans and receivables including employee loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. Gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process. Included in this classification are personal loans given to employees.

Trade receivable

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the trade receivable is impaired. The Group deploys age analysis tools to track the payment pattern of customers. The amount of the provision for impairment of trade receivables is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss within 'other operating expenses'. The carrying amount of the asset is reduced through the use of an allowance account. When trade receivables are uncollectible, it is written off as 'other operating expenses' in profit or loss. Subsequent recoveries of amounts previously written off are credited against 'other operating expenses' in profit or loss.

3.14.3 Financial assets Derecognition

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the assetor has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

3.14.4 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Impairment of financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

Impairment of available-for-sale financial assets

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the year in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairments are recognised directly in other comprehensive income.

3.15 Financial liabilities

3.15.1 Initial recognition

The Group recognises financial liabilities when it becomes party to the contract. The group's financial liabilities include trade payables and interest bearing loans and borrowings. All financial liabilities are recognized initially at fair value plus directly attributable transaction costs.

3.15.2 Subsequent measurement

The subsequent measurement of financial liability depends on their classification as follows:

Financial liabilities measured at amortised cost

Interest bearing loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortization is included in finance cost in the income statement.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method when the time value of money is material, in which case, the amortised cost equals the nominal value.

3.15.3 Financial liabilities -Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

3.16 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.17 Dividends payable

Dividends payable are recognised in the year in which the related dividends are approved by the shareholders or Board of Directors, as appropriate.

3.18 Earnings per share

The Group's Earnings per Share ('EPS') is determined based on the net income attributable to the shareholders. Basic earnings per share are computed using the weighted average number of shares outstanding during the year.

3.19 Segment reporting

An operating segment is a component of the Company that engages in business activities in Apapa, Agunlejika and Surulere 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. The company is organised into business unit based on its products/services and has four reportable segments as follows:

- Auto
- Equipment
- Trading
- Construction

No operating segments have been aggregated to form the above reportable operating segments. The group's Managing Director monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue. The Managing Director monitors the operating results of the whole business for the purpose of making decisions about resource allocation and performance assessment.

Notes to the Financial Statements *(contd.)*

3.20. Segment reporting

Year Ended 31 Dec. 2014	The Group					The Company				
	Auto	**Equipment Premium**	**Construction**	**Trading (groceries)**	**Total**	**Auto**	**Equipment Premium**	**Construction**	**Trading (groceries)**	**Total**
Revenue	**N 000**	**N 000**	**N 000**	**N 000**	**N 000**	**N 000**	**N 000**	**N 000**	**N 000**	**N 000**
External customers	2,573,746	2,972,987	618,021	275,379	6,440,132	2,573,746	2,972,987	618,021	275,379	6,440,132
Inter-segment	-	-	-	-	-	-	-	-	-	
Total Revenue	**2,573,746**	**2,972,987**	**618,021**	**275,379**	**6,440,132**	**2,573,746**	**2,972,987**	**618.021**	**275,379**	**6,440,132**
External customers	2,020,639	2,392,043	419,129	185,745	5,017,555	2,020,639	2,392,043	419,129	185,745	5,017,555
Inter-segment	-	-	-	-	-					
Total cost of sales	**2,020,639**	**2,392,043**	**419,129**	**185,745**	**5,017,555**	**2,020,639**	**2,392,043**	**419,129**	**185,745**	**5,017,555**
Operating profit	**553,107**	**580,944**	**198,892**	**89,634**	**1,422,577**	**553,107**	**580,944**	**198,892**	**89,634**	**1,422,577**

Notes to the Financial Statements *(contd.)*

3.20. Segment reporting - Continued

Year Ended 31 Dec. 2013	The Group					The Company				
	Auto	Equipment Premium	Construction	Trading (groceries)	Total	Auto	Equipment Premium	Construction	Trading (groceries)	Total
Revenue	**N 000**	**N 000**	**N 000**	**N 000**	**N 000**	**N 000**	**N 000**	**N 000**	**N 000**	**N 000**
External customers	3,159,926	2,533,959	155,470	377,564	6,226,919	3,159,926	2,533,959	155,470	377,564	6,226,919
Inter-segment	-	-	-	-	-	-	-	-	-	
Total Revenue	**3,159,926**	**2,533,959**	**155,470**	**377,564**	**6,226,919**	**3,159,926**	**2,533,959**	**155,470**	**377,564**	**6,226,919**
External customers	2,258,920	2,012,454	101,055	204,196	4,576,626	2,258,920	2,012,454	101,055	204,196	4,576,626
Inter-segment	-	-	-	-	-	-	-	-	-	-
Total cost of sales	**2,258,920**	**2,012,454**	**101,055**	**204,196**	**4,576,626**	**2,258,920**	**2,012,454**	**101,055**	**204,196**	**4,576,626**
Operating profit	**901,006**	**521,505**	**54,415**	**173,368**	**1,650,293**	**901,006**	**521,505**	**54,415**	**173,368**	**1,650,293**

No single customer contributed above 10% of the Group revenue during the year.

3.20. Segment reporting - Continued

Adjustments and eliminations

Distribution expenses, administrative expenses, other operating income, finance income and finance costs were not allocated into individual segments as the as the transactions were maintained at group level.

Interest income and interest expense have not been disclosed by segment as these items are managed on a group basis

Current taxes, deferred taxes and financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

All assets and liabilities are not allocated to these segments as they are also managed on a group basis.

3.21 Key management personnel

For the purpose of related party disclosures, key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of Group. For SCOA Nigeria Plc key management personnel are considered to be designations from senior divisional head levels at the Group.

3.22 Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

3.23 Dividend on ordinary shares

Dividends on the group's ordinary shares are recognized in equity in the year in which they are paid or, if earlier, approved by the group's shareholders.

3.24 Other Capital reserves

This includes gains on revaluation of property plant and equipment.

4. Significant accounting judgments, estimates and assumptions

Under IFRS, the directors are required to adopt those accounting policies most appropriate to the Group's circumstances for the purpose of presenting fairly the Group's financial position, financial performance and cash flows. In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Group should it later be determined that a different choice would be more appropriate.

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting year. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Property, plant and equipment

The Group carries its PPE at cost in the Statement of financial position. Estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance. The charge in respect of yearly depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The Group reviewed and estimated the useful lives and residual values of its PPE that are fully depreciated as well as those not fully depreciated as at 31 December 2014.

Impairment of non-current assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Allowance for uncollectible accounts receivable and advances

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience based on the facts and circumstances prevailing as at balance sheet date. In addition, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. The Group writes off individual trade receivables when management considers them as uncollectible.

Employee benefit Obligations

The cost of defined plans and other post employment retirement benefits and the present value of the obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates etc. As a result of the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in assumptions. All assumptions are reviewed by the actuary, in determining the obligation due at each reporting date.

Consolidation of entity in which the Group holds 50%structure entity

Consolidation of entities in which the Group holds 50% voting right.

The Group considers that it controls Scoa Properties Limited even though it owns 50% of the voting rights. This is based on contractual agreement reached by the parties, which qualifies the Group to have majority representation on the Scoa properties board of directors, control the operations of the Company and responsible for operational and management decisions.

Income taxes

Given uncertainties exist with respect to the interpretation of complex tax regulations coupled with the amount and timing of future taxable income as well as the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible tax implications that may result in tax liabilities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the prevailing circumstances. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except where the deferred tax liability arises on goodwill that is not tax deductible or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Tax relating to items recognised in other comprehensive income is recognised in other comprehensive income and tax relating to items recognised directly in equity is recognised directly in equity and not in profit or loss.

5. Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

IFRS 14 Regulatory deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is an existing IFRS preparer, this standard would not apply.

IFRS 15 Revenue from contracts with Customers

The IASB intends to replace all existing IFRS revenue requirements with IFRS 15. IFRS 15 establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry.

The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities. Application is required for annual periods beginning on or after 1 January 2017. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

IFRS 15 Revenue from contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

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

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.

Amendments to IAS 19: Defined Benefit Plans - Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. It is not expected that this amendment would be relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's consolidated financial statements. These amendments will have financial impact on the separate financial statements of the Company as the Company will be required to recognize its subsidiary using the equity method.

IAS 36 Impairment of Assets

The IASB amended IAS 36 by removing the requirement to disclose recoverable amount when a cash generating unit (CGU) contains goodwill or indefinite lived intangible assets but there has been no impairment. It also requires the disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognised or reversed and detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed.

6. Annual Improvements issued but not yet effective

Annual improvements 2010-2012 Cycle

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Group. They include:

IFRS 2 Share-based Payment: Definitions of vesting conditions
Performance condition and service condition are defined in order to clarify various issues, including the following:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition

If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied. The amendment is applied prospectively.

IFRS 3 Business Combinations: Accounting for contingent consideration in a business combination
The amendment clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable). The amendment is applied prospectively.

IFRS 8 Operating Segments: Aggregation of operating segments
The amendment clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. The amendment is applied retrospectively.

IFRS 8 Operating Segments: Reconciliation of the total of the reportable segments' assets to the entity's assets
The amendment clarifies that the reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. The amendment is applied retrospectively.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets: Revaluation method proportionate restatement of accumulated depreciation/amortization
The amendment to IAS 16 and IAS 38 clarifies that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. The amendment also clarifies that accumulated depreciation/amortisation is the difference between the gross and carrying amounts of the asset. The amendment is applied retrospectively.

IAS 24 Related Party Disclosures: Key management personnel
The amendment clarifies that a management entity an entity that provides key management personnel services is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment is applied retrospectively.

Annual improvements 2011-2013 Cycle
These improvements are effective from 1 July 2014 and are not expected to have a material impact on the Group. They include:

IFRS 3 Business Combinations: Scope exceptions for joint ventures
The amendment clarifies that, joint arrangements, not just joint ventures, are outside the scope of IFRS 3. The scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively.

IFRS 13 Fair Value Measurement: Scope of paragraph 52 (portfolio exception)
The amendment clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable). The amendment is applied prospectively.

IAS 40 Investment Property: Interrelationship between IFRS 3 and IAS 40 (ancillary services)
The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment clarifies that IFRS 3, not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The amendment is applied prospectively.

Notes to the Financial Statements *(contd.)*

	The Group		The Company	
7. Revenue	**2014**	2013	**2014**	2013
	N'000	N'000	N'000	N'000
Sale of goods	6,440,132	6,226,919	6,440,132	6,226,919
	--------------	--------------	--------------	--------------
	6,440,132	6,226,919	6,440,132	6,226,919
	========	========	========	========
8. Sale of goods				
Autos	2,573,746	3,159,926	2,573,746	3,159,926
Equipment	2,972,987	2,533,959	2,972,987	2,533,959
Trading (groceries)	275,379	377,564	275,379	377,564
	--------------	--------------	--------------	--------------
	5,822,111	**6,071,449**	**5,822,111**	**6,071,449**
	--------------	-------------	-------------	-------------
Construction revenue	618,021	155,470	618,021	155,470
	--------------	--------------	--------------	--------------
	6,440,132	**6,226,919**	**6,440,132**	**6,226,919**
	========	========	========	========
9. Cost of sales				
Autos	2,020,639	2,258,920	2,020,639	2,258,920
Equipment	2,392,043	2,012,454	2,392,043	2,011,312
Construction	419,129	101,055	419,129	101,055
Trading (groceries)	185,745	204,196	185,745	204,196
	------------	-------------	-------------	-------------
	5,017,555	**4,576,626**	**5,017,555**	**4,575,484**
	========	========	========	========
10. Distribution expenses				
Transportation	**53,697**	**55,331**	**53,697**	**55,331**
	======	=====	=====	=====

Notes to the Financial Statements *(contd.)*

11. Administrative expenses

	The Group		The Company	
	2014	2013	**2014**	2013
	N'000	N'000	N'000	N'000
Annual General Meeting Expenses	13,453	1,834	13,453	1,834
Audit Fees	12,500	11,000	12,500	11,000
Consultancy	24,723	39,227	24,723	39,227
Consumables	6,738	6,943	6,738	6,943
Donations	870	17	870	17
Depreciation	127,917	103,915	127,917	103,915
Director Fees	1,350	1,350	1,350	1,350
Entertainment	10,406	21,100	10,406	21,100
Electricity	15,942	21,230	15,942	21,230
Fuel Consumed	76,880	56,361	76,880	56,361
Food and accommodation	5,925	1,736	5,925	1,736
Foreign exchange loss	129,228	-	129,228	-
Impairment of Available for sales financial assets	-	950	-	950
Insurance	17,444	11,823	17,444	11,823
Licenses	4,201	4,822	4,201	4,822
Legal Fees	14,119	13,268	14,119	13,268
Meetings and Seminars	2,148	379	2,148	379
Other professional Fees	14,369	21,429	14,369	21,429
Postage	4,011	2,741	4,011	2,741
Printing	5,609	4,054	5,289	3,270
Publicity and advertisement	23,837	22,505	23,837	22,505
Provision for Bad debt	6,928	154,806	6,928	154,806
Repairs and maintenance	83,913	31,380	83,913	30,616
Rents	74,631	75,086	74,631	75,086
Rates	11,318	9,206	11,318	9,204
Registrar fees	4,474	3,920	4,474	3,920
Stationeries	3,847	4,877	3,847	4,877
Subscriptions	14,747	13,870	14,747	13,870
Salaries and employee related costs(Note 11.1)	390,019	336,161	390,019	336,161
Security and Cleaning	24,740	22,017	24,740	22,017
Telephone expenses	6,502	5,507	6,502	5,507
Tender Fees	15,687	14,671	15,687	14,671
Water	224	89	224	89
	--------------	--------------	--------------	--------------
	1,148,700	**1,018,274**	**1,148,380**	**1,016,724**
	========	========	========	========

11.1. Salaries and employee related costs include the following:

	The Group		The Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Basic salary	116,557	107,795	116,557	107,795
Leave allowance	6,974	5,218	6,974	5,218
House allowance	26,640	21,726	26,640	21,726
Transport allowance	19,427	16,638	19,427	16,638
Lunch allowance	7,186	6,684	7,186	6,684
Staff entertainment and meal allowance	19,484	16,930	19,484	16,930
Maintenance allowance	1,557	1,334	1,557	1,334
Efficiency allowance	87,381	70,713	87,381	70,713
Interim allowance	2,175	1,975	2,175	1,975
Bonus	3,564	3,778	3,564	3,778
Welfare allowance	7,095	5,723	7,095	5,723
Economic relief and utility	1,980	2,099	1,980	2,099
Contract staff	-	52	-	52
ITF Managerial staff	1,000	848	1,000	848
Educational expenses	31,146	20,477	31,146	20,477
Out of station expense	6,337	3,734	6,337	3,734
Employee defined benefit costs	9,835	18,349	9,835	18,349
Medical	10,505	9,017	10,505	9,017
Staff uniform and clothes	773	234	773	234
Pension costs-defined contribution	25,915	5,495	25,915	5,495
Other staff expenses	4,490	17,341	4,490	17,341
	390,019	**336,161**	**390,019**	**336,161**

12. Other Operating Income

	The Group		The Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Value-Added-tax written-back	128,348	-	128,348	-
Rent received	25,551	-	25,551	-
Sales Commission received	51,259	97,318	51,259	97,318
Insurance claim	18,165	-	18,165	-
Scrap sales	14,336	875	14,336	875
Bad debt Provision write back	104,099	-	104,099	-
	341,758	**98,193**	**341,758**	**98,193**

Value-Added-Tax Written-back
This represents the reversal of excess provision for VAT based on tax audit for 2014 year of assessment

Sales Commission received
Sales commission represents amount received from MAN TRUCK and BUS on theTrucks sold directly in Nigeria based on signed agreement. The applicable rate is 8% on sales invoice.

Bad debt provision written back
This represents prior year provision for related party debts due from SCOA Petroleum Services of N104million written back because the Company subsequently took over assets worth NGN160.95 million from the related party in settlement of its debt

13.1 Finance income	**The Group**		**The Company**	
	2014 N'000	**2013 N'000**	**2014 N'000**	**2013 N'000**
Interest income	31,771	2,935	31,771	2,935
	=======	======	========	=======
13.2 Finance Cost				
Interest on bank overdrafts and loans	420,107	446,114	420,107	446,114
Interest on loans from affiliated Company	85,926	76,974	85,926	76,974
	----------	----------	------------	-----------
	506,033	**523,088**	**506,033**	**523,088**
	=======	======	========	=======
14. Share of profit/(loss)from associate– SCOA Foods Limited				
Share of profit/(loss) before taxation	1,353	(9,057)	-	-
Less: share of Associate income tax	(585)	(765)	-	-
	--------	---------	-------	--------
	768	**(9,822)**	**-**	**-**
	======	======	=====	=====

15. Income tax

The major components of income tax expense for the years ended 31 December 2014 and 2013 are:

15.1 **Income tax expense**	**The Group**		**The Company**	
	2014 N'000	**2013 N'000**	**2014 N'000**	**2013 N'000**
Tax expense per profit or (loss) and other comprehensive income				
Income tax	24,616	39,025	24,616	39,025
Education tax	4,923	7,806	4,923	7,806
	------------	---------	-----------	-----------
	29,539	46,831	29,539	46,831
Deferred tax	(120,572)	(12,663)	(120,572)	(12,663)
	------------	-----------	------------	-----------
Balance per profit or loss and comprehensive income	**(91,033)**	**34,168**	**(91,033)**	**34,168**
	======	======	======	=====
At the effective tax rate	**(103%)**	**24%**	**(103%)**	**22%**

15.2 Income tax payable	The Group		The Company	
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
At 1 January				
Income tax	100,567	101,763	100,567	101,763
Education tax	7,606	5,596	7,606	5,596
	108,173	107,359	108,173	107,359
Charge for the year				
Income tax	24,616	39,025	24,616	39,025
Education tax	4,923	7,806	4,923	7,806
Share of company income tax from associate	-	765	-	-
Payments during the year	(5,980)	(46,017)	(5,980)	(46,017)
WHT Credits	(100,567)	-	(100,567)	-
At 31 December	**31,165**	**108,938**	**31,165**	**108,173**
15.3 Deferred tax (asset) and liabilities				
At 1 January	133,439	130,190	133,439	130,190
Utilised during the year	(120,572)	(12,663)	(120,572)	(12,663)
Other Comprehensive income	(2,915)	15,912	(2,915)	15,912
31 December	**9,952**	**133,439**	**9,952**	**133,439**

15.4 Income tax reconciliation	The Group		The Company	
	N'000	N'000	N'000	N'000
Profit before taxation	88,444	144,905	87,996	157,420
Tax at Nigerian statutory income tax rate of 30% (2013:30%)	26,533	43,472	26,399	47,226
Non-deductible expenses for tax purposes	(122,489)	(17,110)	(122,355)	(20,864)
Education tax @ 2% assessable profit	4,923	7,806	4,923	7,806
Share of associate tax			-	-
	(91,033)	**34,168**	**(91,033)**	**34,168**
At the effective tax rate	(103%)	23%	(103%)	22%

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The Company has not recognised deferred tax assets in respect of deductible temporary differences as it is not probable that taxable profits will be available in future for utilisation. The tax rate applicable to this deductible temporary difference is 30% based on the relevant tax laws.

16. Employee Benefit Liability

The group's gratuity scheme is a defined benefit plan. The group makes provisions for gratuity for employees that have spent between 5 years and below continuing service in the group. The actuarial valuation method used to value the liabilities is the Projected Unit Method prescribed by IAS19. The liabilities have been calculated from first principles using the data as at 31 December 2014 and the assumptions set out in this report.

Notes to the Financial Statements *(contd.)*

The following table summarises the components of net benefit expense recognised in the income statement and the funded status and amounts recognised in the statement of financial position for the respective plans:

16.1 Net benefit expense2014 (recognisedin the cost of sales)	2014	2013
	N'000	N'000
Present value of defined benefit obligations	62,403	47,093
	======	======
16.2 Movement in defined benefit plan		
At 1 January	47,093	81,459
Current Service cost	3,530	7,084
Interest cost	6,305	10,446
Actuarial loss/ (gain)	9,716	(49,724)
Past service cost	-	819
Benefits paid	(4,241)	(2,991)
	-------	---------
At 31 December	**62,403**	47,093
	=====	======
16.3 The amount recognised in the income statement:		
Current service costs	3,531	7,084
Interest costs	6,305	10,446
Recognised past service cost	-	819
	-----------	-------
Total included in staff costs	**9,836**	**18,349**
	=====	======
16.4 The amount recognised inother comprehensive income statement:		
Re-measurements gain/(loss) recognised in OCI	9,715	(49,724)
	=====	=======
Tax on gain /(loss)	2,915	(15,912)
	=====	=======
The principal actuarial assumptions used were:		
Discount rate	13%	12%
Inflation rate	5%	11%
Future salary increases	3%	10.50%

16. Employee Benefit Liability continued

16.5 Sensitivity Analysis

	Discount Rate		Future Salary Increase		Mortality	
	1%	1%	1%		1%	1%
Sensitivity Level	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on defined benefit obligation	**(3,578)**	**3,962**	**4,294**	**(4,294)**	**189**	**(171)**

The sensitivity analysed above have been determined on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumption occurring at the end of the reporting period.

16.6 The valuation assumptions used in determining Gratuity benefit obligations for the Company's plans are shown below:

	2014	2013
	%	%
Discount rate (p.a)	13	12
Average pay increase (p.a)	3	10.5
Rate of inflation	5	5
Withdrawal from Service (age band)	%	%
18 – 29	1	1
30 – 44	5.5	5 .5
45 – 49	3	3
50 – 59	2	2
60	100	100

The normal retirement age is 60 year or 35 years in active services. Employees' benefits shall be paid on retirement upon attaining 60 years of age, early retirement, resignation; death and redundancy of employees. The discount rate is determined on the Company's reporting date by reference to market yields on high quality government bonds.

The discount rate should reflect the duration of the liabilities of the benefit programme. The rates of mortality assumed for members in the scheme are the rates published in the National Population Commission Bulletin. We have rated this down by one year to moderately reflect mortality in Nigeria. The company makes provisions for gratuity for employees that have spent between 5 years and below continuing service in the Company. The company is expected to set cash aside to fund the outstanding defined benefit obligation.

The provision is computed based on the annual gross emoluments (basic, housing, transport and leave allowance) by applying a specific rate which is a function of the length of service with the Company except for redundancy. The rate applies to all categories of employees as follows:

Rate	**Length of service**
1.00	below 5 years
1.25	10 - 14 years
1.75	15 – Above years

The provision for employee benefit on redundancy is computed based on the annual basic salary as follows:

Senior Staff - 6 weeks basic salary for each completed year of service
Junior Staff:
0 – 5 years - 6 weeks basic salary for each completed year of service
6 – Above years - 7 weeks basic salary for each completed year of service

16.7 Expected Benefit Payment for Future Years

Year	Amount
	N'000
Between 2 to 5 years	9,360
Between 5 to 10 years	18,721
Beyond 10 years	28,705

	62,403
Total	======

	2014	2013
Salary weighted average age	**43.8 years**	**44.1 years**
Salary weighted past service	**9.3 years**	**10.3 years**

16.8 Tax Effect:

Re-measurement recognised in other comprehensive income: N9,715,000; (2013: N49,724,000).Tax Rate at 30%Tax amount computed at 30%: N2,915,000.00; (2013:N15,912,000)

17. Basic/Diluted earnings per share

Basic/Diluted earnings per share is calculated by dividing the net profit for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year. The following reflects the income and share data used in the basic earnings per share computation:

	The Group		The Company	
	2014	2013	2014	2013
	N'000	N'000	N'000	N'000
Earnings attributable to equity holders (Naira)	179,637	111,131	179,029	123,252
Average number of shares outstanding	649,500	649,500	649,500	649,500
	=======	=======	=========	=======
Basic/diluted earnings per share (Naira)	0.28	0.17	0.28	0.19

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

Notes to the Financial Statements *(contd.)*

18. Property, Plant and Equipment (The Company)

	Land and Building N'000	Motor vehicle N'000	Furniture and Fittings N'000	Generator N'000	Equipment N'000	Construction Equipment N'000	Plant and machinery N'000	Total N'000
COST								
At 1 January 2014	108,974	354,599	6,730	51,889	244,295	314,489	176,678	1,257,654
Addition	12,752	67,104	2,636	4,177	84,191	31,350	157,955	360,164
At 31 December 2014	121,726	421,703	9,365	56,065	328,486	345,839	334,633	1,617,817
DEPRECIATION								
At 1 January 2014	37,097	185,611	919	10,112	66,057	34,405	8,455	342,656
Charged for the Year	3,659	40,601	712	6,530	36,989	21,497	17,930	127,917
At 31 December 2014	40,756	226,212	1,631	16,641	103,046	55,902	26,385	470,573
Carrying amounts								
31 December 2014	80,970	195,491	7,734	39,424	225,441	289,936	308,248	1,147,245
31 December 2013	71,877	168,988	5,811	41,777	178,238	280,084	168,223	914,998

The company does not pledge any asset as security or collateral for any debt or liability during the year (2013: Nil). No interest was capitalised during the year (2013: Nil).

Notes to the Financial Statements *(contd.)*

18. Property, Plant and Equipment (The Company) -Continued

	Land and Building N'000	Motor vehicle N'000	Furniture and fittings N'000	Generator N'000	Equipment N'000	Construction Equipment N'000	Plant and machinery N'000	Total N'000
COST								
At 1 January 2013	100,308	336,928	4,988	50,072	147,281	297,381	47,237	984,195
Addition	8,666	17,671	1,742	1,817	97,014	17,108	129,441	273,459
At 31 December 2013	108,974	354,599	6,730	51,889	244,295	314,489	176,678	1,257,654
DEPRECIATION								
At I1 January 2013	32,926	144,351	347	3,959	41,793	14,377	987	238,740
Charged for the Year	4,172	41,260	572	6,153	24,263	20,028	7,468	103,916
At 31 December 2013	37,098	185,611	919	10,112	66,056	34,405	8,455	342,656
At 31 December 2013	71,877	168,988	5,811	41,777	178,238	280,084	168,223	914,998

Notes to the Financial Statements *(contd.)*

18. Property, Plant and Equipment (The Group)

	Land and Building N'000	Motor vehicle N'000	Furniture and fittings N'000	Generator N'000	Equipment N'000	Construction Equipment N'000	Plant and machinery N'000	Total N'000
COST								
At 1 January 2014	608,426	354,598	6,729	51,889	244,294	314,489	176,678	1,757,103
Addition	411,752	67,104	2,636	4,177	84,191	31,350	157,955	759,164
At 31 December 2014	1,020,176	421,703	9,365	56,065	328,486	345,839	334,633	2,516,267
DEPRECIATION								
At 1 January 2014	37,098	185,611	919	10,111	66,057	34,405	8,455	342,949
Charged for the Year	3,659	40,601	712	6,530	36,989	21,497	17,930	127,917
At 31 December 2014	40,756	226,212	1,631	16,641	103,046	55,902	26,385	470,573
NET BOOK VALUE								
At 31 December 2014	979,420	195,491	7,734	39,424	225,441	289,936	308,248	2,045,695
At 31 December 2013	571,328	168,987	5,810	41,778	178,237	280,084	168,223	1,414,448

The group does not pledge any asset as security or collateral for any debt or liability during the year (2013: Nil). No interest was capitalised during the year (2013: Nil).

Notes to the Financial Statements *(contd.)*

18. Property, Plant and Equipment (The Group)- Continued

	Land/ Building	Motor vehicle	Furniture and fittings	Generator	Equipment	Construction Equipment	Plant and machinery	Total
COST	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January 2013	**599,760**	**336,927**	**4,987**	**50,072**	**147,280**	**297,381**	**47,237**	**1,483,644**
Addition	8,666	17,671	1,742	1,817	97,014	17,108	129,441	273,459
At 31 December 2013	**608,426**	**354,598**	**6,729**	**51,889**	**244,294**	**314,489**	**176,678**	**1,757,103**
DEPRECIATION								
At 1 January 2013	**32,926**	**144,351**	**347**	**3,958**	**42,088**	**14,377**	**987**	**239,034**
Charged for the Year	4,172	41,260	572	6,153	23,969	20,028	7,468	103,915
At 31 December 2013	37,098	185,611	919	10,111	66,057	34,405	8,455	342,949
At 31 December 2013	571,328	168,987	5,810	41,778	177,945	280,084	168,223	1,414,448

19. Investment in Subsidiary

Level of ownership	Country of Incorporation	2014 % of Holding	2013 % of Holding
SCOA Properties (Nigeria) Ltd	Nigeria	50%	50%
		====	====

	2014	2013
Accumulated balances of material non-controlling interest:	**N'000**	**N'000**
SCOA Properties (Nigeria) Limited	248,268	248,428
	======	=======
Loss allocated to material non-controlling interest:		
SCOA Properties (Nigeria) Limited	(160)	(363)
	====	====
Cost of investment - Subsidiary	**N'000**	**N'000**
SCOA Properties (Nigeria) Ltd		
At 1 January	250,000	5,000
Addition during the year	-	245,000
	-----------	---------
At 31 December	250,000	250,000
	=======	=======

19.1 Addition during the year

This represents additional investment into SCOA Properties in the prior year as a result of increase in share capital in 2012 for which the documentation was completed in 2013

19.2 The summarised financial information of SCOA properties Nigeria are provided below.

	2014	2013
Revenue	-	-
Cost of sales	-	-
	-----------	-----------
	-	-
Administrative expenses (Audit fee)	(320)	(785)
	=====	=====
Summarised statement of the financial position of SCOA Properties (Nigeria) Limited		
Cash and cash equivalents	1,018	1,018
Property, plant and equipment	898,450	499,450
Payables and other liability	(402,932)	(3,612)
	------------	--------
Total equity	496,536	496,856
	======	======
Attributable to:		
Equity holders of parent	248,268	248,428
	======	======
Non-controlling interest	248,268	248,428
	=====	=======
Summarised Cash flows of SCOA Properties (Nigeria) Limited		
Cash flows from operating activities	-	(2,316)
	======	======
Cash flows from Investing activities		
Purchase of fixed assets	(399,000)	-
	--------------	-----------
Cash flows from financing activities		
Deposit for share	399,000	2,462
	-----------	--------
Net increase in cash and cash equivalent	-	146
Cash and cash equivalent at 1 January	1,018	872
	--------	------
Cash and cash equivalent at 31 December	1,018	1,018
	=====	=====

Impairment of Available-for-sales financial assets
The available for sale financial assets consist of an investment in shares in two non-listed companies AFN and PAN which are valued based on non- market observable information. Changes in underlying assumptions can lead to adjustments in the fair value of the investment. This resulted in impairment of the financial assets in 2013.

20. Investment in Associate

		2014	2013
Level of ownership		% of Holding	% of Holding
SCOA Foods Ltd		45%	45%
		===	=====
Cost of investment – Associate		**2014**	**2013**
At 1 January		**N'000**	**N'000**
Agbara Plastics and Industry Ltd			3,500
Impaired 1n 2013			(3,500)
		-----------	---------
		-	-
		=====	=====
		2014	**2013**
		N'000	**N'000**
SCOA Foods Ltd		4,500	4,500
Impairment of investment- 2012		(4,500)	(4,500)
Prior year addition		243,000	-
Addition to SCOA Foods		-	243,000
		-----------	---------
		243,000	243,000
Less: share of loss of the associate	**2013**	(166,812)	(166,812)
Less: share of profitof the associate	**2014**	768	-
		----------	--------
At 31 December		76,956	76,188
		======	=====
Current assets		133,283	113,343
Non-current assets		525,371	527,840
Current liabilities		(406,517)	(390,753)
Non-current liabilities		(81,123)	(81,123)
		------------	------------
Equity		**171,014**	**169,307**
		======	======
proportion of the Group's ownership		45%	45%
		N'000	**N'000**
Carrying amount of the investment		76,956	76,188
		======	=======
Revenue		16,467	48,310
Cost of sales		(7,204)	(50,747)
		--------	-------
Gross profit		9,263	(2,437)
Administrative expenses		(13,578)	(16,458)
		---------	----------
Operating loss		(4,315)	(18,895)
Finance cost		(3,087)	(2,931)
Other Income		10,409	-
		-----------	--------
		3,007	(21,826)
Income tax expenses		(1,300)	(1,700)
		-------------	----------
Loss for the year (continuing operations)		1,707	(23,526)
		======	======
Group's share ofprofit/(loss) for the year		768	(10,587)
		======	======

20. Investment in Associate Continued

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The group's investments in its associate are accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

SCOA Nigeria Plc jointly set up the associate and as a result, no goodwill relating to the associate was recognized.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate .The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate. The financial statements of the associate prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The company's investment will not be impaired due to the fact that the company has signed a contract with Sabroso Foods Co. Limited that will handle the operation and maintenance of the planned production of the associate company. The company also presently carries out co-packing with major brands. The co-packing is being undertaken in order to avoid idle time because full production will commence as soon as the machines meant for production are repaired. The repairs are currently ongoing in view of the production to commence in 2015.

The group has a 45% interest in SCOA Foods Nigeria Limited, a Company that manufactures, packages, distributes, markets and sells fruit drinks, foods products and beverages of alcoholic and non-alcoholic variety and allied products.

21. Inventories

	The Group		**The Company**	
	2014	**2013**	**2014**	**2013**
	N'000	**N'000**	**N'000**	**N'000**
Raw materials and consumables	14,886	14,291	14,886	14,291
Finished goods	4,022,149	3,465,672	4,022,149	3,465,672
Work in progress	380,416	418,665	380,416	418,665
Allowance for finished goods	(338,492)	(337,492)	(338,492)	(337,492)
	4,078,959	**3,561,136**	**4,078,959**	**3,561,136**

During the year ended 31 December2014, N1 million (2013: N.86 million) was recognised as an expense for inventories carried at net realisable value in respect of slow-moving finished goods. This has been recognised in cost of sales.

22. Trade and other receivables

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	N'**000**	N'**000**	N'**000**	N'**000**
Trade receivables	2,855,175	2,235,764	2,855,175	2,235,764
Provision for bad debts/Impairments	(389,701)	(382,773)	(389,701)	(382,773)
	2,465,474	1,852,991	2,465,474	1,852,991
Other receivables	48,718	33,749	48,718	33,749
	2,514,192	1,886,740	2,514,192	1,886,740

Trade receivables are non-interest bearing and are generally on terms of 30-90 days. The following shows the analysis of impairment provision recognised on individual and collective basis:

	Individually impaired N'000	Collectively impaired N'000	Total N'000
At 1 January 2013	332,066	-	332,066
Charge for the year	50,707	-	50,707
	----------	----------	----------
At 31 December 2013	**382,773**	-	**382,773**
	=======	=======	======
At 1 January 2014	382,773	-	382,773
Charge for the year	6,928	-	6,928
	----------	----------	----------
At 31 December 2014	**389,701**	-	**389,701**
	=======	=======	======

Trade receivables meet the definition of financial asset and the carrying amount of the trade receivables approximates their fair value. Trade receivables are expected to be fully collected within 1 year.

As at 31December, the ageing analysis of trade receivables is as follows:

	Total	Neither past due nor impaired	Past due but not impaired			
			3160 days	6190days	91180 days	> 365 days
	N'000	N'000	N'000	N'000	N'000	N'000
2014	2,465,474	29,069	529,359	794,559	252,847	859,640
2013	1,852,991	757,066	523,420	(7,386)	2,541	577,350

22. Trade and other receivables- Continued

See Note 35 on credit risk of trade receivables, which discusses how the entity manages and measures credit quality of trade receivables that are neither past due nor impaired

23. Related Companies

	The Group		The Company	
	2014 N'000	**2013 N'000**	**2014 N'000**	**2013 N'000**
SCOA Foods Limited	278,621	267,601	278,621	267,601
SCOA Properties Limited	–	-	401,732	2,462
SCOA Petroleum Services	209,831	208,198	209,831	208,198
Vernal Investment	3,205	3,205	3,205	3,205
SCOA International, S. A.	18,874	18,874	18,874	18,874
Data Processing Maintenance and Services Limited	14,014	14,014	14,014	14,014
Less:				
Impairment provision	-	(104,099)	-	(104,099)
	----------	------------	----------	------------
Due from Related Companies	**524,545**	**407,793**	**926,277**	**410,255**
	=======	=======	======	=======

For disclosures on related parties refer to note 32. The impairment provision in the prior year relates to receivables due from D.P.M.S Limited, Vernal Investments, and SCOA Petroleum Limited. The amount is outstanding and has been fully impaired on individual basis.

This represents the value of trucks transferred to Southern Energy by SCOA Nigeria Plc as settlement of amount owing by SCOA Properties to Southern Energy. SCOA property has not obtained share increase approval; as a result the amount is being treated as deposit for shares in the book of SCOA property.

The provision made for long outstanding related party receivable was reversed in the current year because the Board of Directors resolve to take over used 6 units of MAN TGA Tippers and 2 units CAT Bull Dozer D& worth N168.9million to settle part of its debts. SCOA Inter subsequently fund the assets used to settle the remaining debt in 2015.

24. Prepayments and other assets

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	N'000	**N'000**	**N'000**	**N'000**
Rent	97,321	85,734	97,321	85,734
Tax recoverable-withheld at source	318,007	358,522	318,007	358,522
Prepaid interest and other charges	72,355	13,894	72,355	13,894
Deposit for Shares	-	30,245	-	30,245
Deposit on Cobranet	20	15	20	15
Deposit to DHL	350	355	350	355
	488,053	**488,765**	**488,053**	**488,765**

Tax recoverable represents withholding tax deducted at source on certain transactions, remitted to relevant tax authorities on behalf of the Company and for which receipts are receivable This will be used to offset tax liability as advance payment of corporation tax.

25. Cash and bank balance

Cash and bank balances in the statement of financial position comprise cash at banks and on hand and short term deposits with a maturity of three months or less.

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	N'000	**N'000**	**N'000**	**N'000**
Cash in hand	909	2,086	909	2,086
Cash at Bank	11,292	11,592	11,292	10,574
Short-term deposit	135,619	208,798	134,600	208,798
Cash and bank balances	**147,820**	**222,476**	**146,801**	**221,458**

25. Cash and cash equivalent

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and bank balances as defined above, net of outstanding bank overdrafts as at 31 December:

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	N'000	**N'000**	**N'000**	**N'000**
Cash and bank balance	147,820	222,476	146,801	221,458
Bank overdraft	(938,354)	(1,266,725	(938,354)	(1,266,725)
	(790,534)	**(1,044,249)**	(791,553)	(1,045,267)

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the entity, and earn interest at the respective short-term deposit rates. Short term investments are treasury bills of 90 days maturity purchased by the Company.

26. Share capital & reserves

	2014	**2013**
	N'000	**N'000**
Authorised shares:		
2 Billion ordinary shares of 50k each	1,000,000	1,000,000
Allotted, called up and fully paid:		
649,500,000 ordinary share of 50k each	324,737	324,737
Share premium		
At 31st December 2014	194,418	194,418

26. Share capital & reserves- Continued

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Retained earnings	All other net gains and losses on transactions with owners not recognised elsewhere.

27. Trade and other payables

	The Group		The Company	
	2014 N'000	**2013 N'000**	**2014 N'000**	**2013 N'000**
Trade payables	3,566,905	2,159,717	3,566,905	2,159,717
Other payables	78,518	111,114	77,318	109,196
Value Added Tax	125,414	129,054	125,414	129,054
	------------	------------	-----------	--------
	3,770,839	**2,399,885**	**3,769,639**	**2,397,967**
	========	========	========	=========
Summary:				
Value Added Tax Output	225,986	129,054	225,986	129,054
Value Added Tax Input	(100,572)	-	(100,572)	-
	------------	-----------	-----------	--------
	125,414	**129,054**	**125,414**	**129,054**
	========	========	========	=========

Terms and conditions of the above trade and other payables:

Trade payables are non-interest bearing and are normally settled on 60-day terms.

Other payables are non-interest bearing and have an average term of 3-6months

Dividend is recognised as a liability in the year in which it is approved by the Board. Dividend due is accumulated as payables until paid out.

Value-Added-Tax (VAT) output and Input are offset for tax purposes as permitted by the relevant tax laws.

28. Interest bearing loans & borrowings

	The Group		The Company	
Related Companies:	**31 Dec 2014 N'000**	**31 Dec 2013 N'000**	**31 Dec 2014 N'000**	**31 Dec 2013 N'000**
International Investment Company Ltd	409,941	515,252	409,741	515,252
Investra ltd	58,353	51,942	58,353	51,942
Commercial Loans:				
All states Trust Bank Plc	15,756	15,756	15,756	15,756
Bankers' Acceptance	-	-	-	-
Keystone	141,614	46,163	141,614	46,163
Import facilities	-	-	-	-
Skye Bank	181,120	308,152	181,120	308,152
FCMB Time loan	394,157	154,501	394,157	154,501
Main Street Loan Account	146,714	-	146,714	-
Union Bank Loan Account	320,832	-	320,832	-
Eco Bank Loan	142,300	-	142,300	-
Enterprise Bank Loan	2,766	-	2,766	-
First Bank of Nigeria Loan	145,223	-	145,223	-
	------------	------------	------------	------------
	1,958,776	**1,091,767**	**1,958,776**	**1,091,767**
	========	=========	========	========

The group's current commercial loan facilities are revolving having a structure of 3 to 12 months term with a fixed rate of principal and interest repayment ranging from 18% to 24% respectively. These loans have no moratorium and secured along with the overdraft facility by way of negative pledge over the assets of the Company. No assets or property of the Company is pledge as lien for the security of these loans. The related party loans are unsecured.

The carrying amount and fair value

i) International Investment Company Limited (IIC)
IIC granted the company a loan of N409.7m. This loan has an interest rate of 17% per annum and is repayable on demand. No collateral was pledge for the loan.

ii) *Investra Limited*
Investra Limited granted a short term loan of N58.6m. This loan has an interest rate of 15.% per annum and it is repayable on demand. The loan is not secured with collateral.

iii) All State Trust Bank (NDIC)
Loan of N15.8m was given to SCOA Nigeria Plc. The loan tenor is for 12 .months with an interest of 19% pa The loan is secured by Negative pledge.

iv) Keystone Bank
Loan of N141.6m was given to SCOA Nigeria Plc. The loan tenor is for 8 months with an interest 22% pa The loan is secured by negative Pledge.

v) Skye Bank
Loan of N181.1m was given to SCOA Nigeria Plc. The loan tenor is for 12 months with an interest of 22%. The loan is secured by Negative Pledge

vi) First City Monument Bank
Loan of N394.1m was given to SCOA Nigeria Plc. The loan tenor is for 2 months with an option of rollover with an interest of 19% pa. The loan is secured by Negative pledge.

vii) Mainstreet Bank
The loan of N146.7m was granted by Mainstreet Bank to SCOA Nigeria Plc at interest rate of 20% for 90days, secured by a Negative Pledge.

viii) Union Bank
The Loan of N320.8m was granted to SCOA Nigeria Plc at interest rate of 20% for 90days. This was secured by Negative Pledge.

ix) ECO Bank
The Loan of N142.3m was granted to SCOA Nigeria Plc at interest rate of 19% for 90days.This was secured by Negative Pledge

x) Enterprise Bank
The Loan of N2.7m was granted to SCOA Nigeria Plc for 90days at interest rate of 20%. This was secured by Negative Pledge.

xi) First Bank of Nigeria
The Loan of N145.2m was granted to SCOA Nigeria Plc for 90days at interest rate of 18.5%. This was secured by a Negative Pledge.

Principal terms and the debt repayment schedule of the group's loans and borrowings are as follows:

	Currency	Nominal rate %	Year of maturity
IIC	Naira	17	2015
Investra	Naira	15	2015
All State Trust Bank (NDIC)	Naira	19	2015
Keystone Bank	Naira	22	2015
Skye Bank	Naira	22	2015
FCMB	Naira	19	2015
Mainstreet Bank	Naira	20	2015
Union Bank	Naira	20	2015
Eco Bank	Naira	19	2015
Enterprise Bank	Naira	20	2015
First Bank of Nigeria Plc	Naira	18.5	2015

29. Provisions

	The Group		The Company	
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
Provision for litigation	12,627	18,247	12,627	18,247
Provision for taxation & social security	-	15,410	-	15,410
Annual General meeting and other Board related expenses	17,438	6,000	15,903	6,000
Provision for Professional Fees	13,375	11,000	13,375	11,000
	43,439	**50,657**	**41,904**	**50,657**

29. Provisions- Continued

	The Group		The Company	
	2014 N'000	2013 N'000	2014 N'000	2013 N'000
Current	43,439	50,567	41,904	50,657
Non-current	-	-	-	-
	43,439	**50,567**	**41,904**	**50,657**

30. Bank overdraft

	The Group 2014	The Group 2013	The Company 2014	The Company 2013
First Bank of Nigeria Plc	128,574	94,395	128,574	94,395
United Bank for Africa Plc	12,112	106,095	12,112	106,095
Enterprise Bank	45,564		45,564	
Main Street Bank	-	53,139	-	53,139
Skye Bank Plc	111,359	130,789	111,359	130,789
Union Bank of Nigeria Plc	141,319	87,142	141,319	87,142
Guaranty Trust Bank Plc	-	104	-	104
FCMB bank	-	255,263	-	255,263
Zenith Bank Plc	14,772	10,711	14,722	10,711
Access Bank Plc	199,896	197,073	199,896	197,073
Keystone Bank	84,893	279,531	84,893	279,531
Diamond Bank Plc	35,713	52,483	35,713	52,483
Eco Bank Plc	164,151	-	164,151	
	938.354	**1,266,725**	**938.354**	**1,266,725**

The bank overdraft facilities are not secured by any assets of the Group. The facilities are given clean without any collateral.

31. Dividends payable

	The Group		The Company	
	31 Dec 2014 N'000	31 Dec 2013 N'000	31 Dec 2014 N'000	31 Dec 2013 N'000
At 1 January	14,954	71,996	14,954	71,996
Approved & transferred from retained earnings	97,474	64,950	97,474	64,950
Payment during the year	(70,425)	(121,992)	(70,425)	(121,992)
At 31 December	**42,002**	**14,954**	**42,002**	**14,954**

31.1 Movement during the year

	31 Dec 2014 N'000	31 Dec 2013 N'000
Additions during the year	97,474	64,950
Payment during the year	(70,425)	(121,992)
	27,048	(57,042)

32. Related Parties

The financial statements include the proportion of equity of major shareholders as follow:

	No. of Shares	% of Capital
SCOA International, S. A.	443,491,944	68.25
Various individual shareholders	206,008,056	31.75
	649,500,000	100

The company entered into the following transactions with the under listed related parties during the year:

	Nature of transaction	Transaction value N'000	Balance receivable/ (payable) 2014 N'000	Balance receivable/ (payable) 2013 N'000
Related Companies:				
International Investment Company (IIC)	Payment of rent and interest	92,200	(409,941)	(515,252)
Investra Ltd	Payment of interest	7,194	(58,353)	(51,942)
Vernal Investment	Purchase of equipment	4,479	3,205	3,205
SCOA Petroleum Limited	Purchase of goods	1,633	209,831	208,198
Data Processing Maintenance and Services Limited	-Rent receivable	-	14,014	14,014
Holding Company:				
SCOA International S.A.	Purchase of equipment	-	18,874	18,874
Subsidiary:				
SCOA Properties limited	Administration expenses	399,270	401,732	2,462
Associate:				
SCOA Foods limited	Purchases- goods & services	329	278,621	267,601

The ultimate parent of the Company is SCOA International S. A. and is based in Paris.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2014, the Company provide for 50% (N104million) out of the amount receivable from SCOA Petroleum(2013: Nil). This was reversed in 2014 based on Board resolution to transfer used assets of the Company in settlement of the debts.

Compensation to key Executives
Short term compensation

	2014	2013
	N'000	**N'000**
Fees	1,350	1,350
Salaries	12,178	18,255
Sitting allowance	350	350
Other fees & allowances	6,178	5400
Chairman emoluments (excluding pension contribution)	9,000	9,000
	---------	---------
	29,056	**34,355**
	======	======

Long term compensation to key management

The company has no long term compensation for its key management personnel.

33. Guarantees

Bank guarantee

The company has an Advance Payment bank guarantee amounting to N67.67 million and a Performance Bond also amounting to N7.95 Million both of which are in favour of Chad Basin Development Authority for the supply of New Holland Combine Harvesters

There is an advance payment Guarantee with a balance of N 27.8 million (2013: N 27.8 million in favour of Ekiti State Government for Road Construction.

Commitment

The company had authorised and contracted purchase orders amounting to N33.23million (2013: N 35.13 million) as at the balance sheet date.

The company has unfunded Letters of Credit amounting to N841.2 million in 2013 and N1.05 million in 2014 with various banking institutions in respect of imports.

34. Contingent liabilities

As at the reporting date, there were no contingent liabilities based on the assessment performed by management (2014-Nil).

35. Financial Risks management, objectives and policies

The nature and carrying values of financial instruments that the Group deploys in carrying out its activities are included in note 35.6. The group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Company has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The major risks that the Group is exposed to as a result of deploying financial instruments include market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

The group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and Group risk appetite. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

35.1. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings; and deposits.

35.1.1 Interest rate risk

The Group does not have any long term debt obligations. The group's changes in its borrowings are for working capital and as such its exposure to interest rate risk is limited to risk to its profitability due to changes in market interest rates. However, the Group manages its interest rate risk through increased dependence on supplier credit.

35.1.1 Interest rate risk - Continued

The following table demonstrates the sensibility to a reasonable possible change in interest rate on that portion of loans and borrowings affected with all other variables held constant, the Group's profit before tax is affected so the impact on floating risk borrowings, as follows:

	Increase/decrease in basis Point	Effect on profit before tax
2014 Naira	+58	(5,402)
	-58	5,402
2013 Naira	+3	(321)
	-3	321

The assumed movement in basis point for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior year.

35.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities mainly import of goods for trade. The Groupmanages its foreign currency risk through adjustment in selling prices of traded goods. The company is exposed to foreign currency fluctuation is US dollars and Euro.

The following table demonstrate the sensitivity to a reasonable possible change in USD rates, with all other variables held constant. The impact and the Group's profit before tax is due to changes in the fair value of monetary liabilities.

	The Group		**The Company**	
	2014 N'000	**2013 N'000**	**2014 N'000**	**2013 N'000**
Bought in goods and services - foreign	3,990,839	3,621,694	4,124,791	3,991,152
	3,990,839	**3,621,694**	**4,124,791**	**3,990,839**

Effect on profit before tax

Effect of increase/decrease in basis points	Effect of increase/decrease in basis points	**The Group**		**The Company**	
2014	2013	**N'000**	**N'000**	**N'000**	**N'000**
+1	+5	(26,081)	(181,085)	(26,081)	(180,687)
-1	-5	26,081	181,085	26,081	180,687

Notes to the Financial Statements *(contd.)*

35. Financial Risks management, objectives and policies - Continued

35.1.3 Price risk

The Group does not carry any financial instrument that exposes it to significant price risk.

35.2 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. The Group's principal exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management established a credit committee responsible for analysing each new customer before credit facilities are offered to them. Purchase limits are established for each customer and these limits are reviewed regularly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a cash or prepayment basis. The Group's payment and delivery terms and conditions offered to customers provide various credit limits based on individual customers. The Group also manages concentration risk by broad based customer selection majority of which are corporate entities.

35.2.1 Credit Collateral

The Group generally does not hold collateral over its loans and receivable financial assets and no such collaterals were held as at 31 December 2014 (2013: Nil).

35.3 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. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Access to sources of funding including overdraft arrangements is sufficiently available. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
2014	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Interest bearing loans and borrowings	-	-	1,958,776	-	-	1,958,776
Trade Payables	Nil	3,566,905	-	-	-	3,566,905
Bank overdraft	938,354	-	-	-	-	938,354
Total	**938,354**	**3,822,734**	**1,958,776**	-	-	**6,719,864**
2013						
Interest bearing loans and borrowings	Nil	Nil	1,091,767	-	-	1,091,767
Trade payables	Nil	2,159,717	-	-	-	2,159,717
Bank overdraft	1,266,725	-	-	-	-	1,266,725
Total	**1,266,725**	**2,397,967**	**1,091,767**	**-**	-	**4,165,027**

35.4 Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At 31 December 2014, the Group had 38 customers (2013: 49 customers) that owed the Group more than N1,000,000 each and accounted for approximately 98%(2013: 99%, 1 January 2013: 98%) of all receivables owing. The requirement for impairment is analysed at each reporting date on an individual basis for major clients. Additionally, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

35.5 Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. The Group's maximum exposure to credit risk for the components of the statement of financial position is the carrying amounts.

35.6 Financial Instrument by measurement basis

The table below show financial instruments by their measurement bases. The values at year end approximate the fair values of the respective financial instruments except for trade and other receivables and payables which are stated at their nominal values.

2014 Nature of instrument	**Available for sale N'000**	**Amortised cost N'000**	**Carrying value N'000**
Trade Receivables	-	2,465,474	2,465,474
Due from related parties	-	524,545	524,545
Cash & cash equivalents	-	147,820	147,820
Total financial assets	-	3,137,839	3,137,839
		3,566,905	3,566,905
Trade payables	-		
Interest bearing loans & borrowings	-	1,958,776	1,958,776
Bank overdraft	-	938,354	938,354
Total financial liabilities	**-**	**6,464,035**	**6,464,035**

2013 Nature of instrument	**Available for sale N'000**	**Amortised cost N'000**	**Carrying Value N'000**
Trade receivables	-	1,852,991	1,852,991
Due from related parties	-	-	-
Cash & cash equivalents	-	222,476	222,476
Total financial assets	-	2,075,467	2,075,467
Trade payables	-	2,159,717	2,159,717
Interest bearing loans & borrowings	-	1,091,767	1,091,767
	-		-
Bank overdraft	-	1,266,725	1,266,725
Total financial liabilities	**-**	**4,518,209**	**4,518,209**

36. Capital management

Capital is the equity attributable to the equity holders of the parent Company. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as its paid up ordinary share capital and general reserves. There were no changes to the Group's approach to capital management during the year. The Group is also not subject to externally imposed capital (minimum capital) requirements.

37. Reconciliation of net income to cash provided by operating activities

	The Group		The Company	
	2014	2013	2014	2013
	N'000	**N'000**	**N'000**	**N'000**
Profit before tax	88,444	144,906	87,996	157,420
Add: Items not involving movement of cash:				
Depreciation	127,917	103,915	127,917	103,915
Impairment of Available Sale investments	-	950	-	950
Share of (profit)/loss from associate	768	9,822		-
Service cost	3,531	7,084	3,531	7,084
Interest cost	6,305	10,446	6,305	10,446
Past service cost	-	819	-	819
Provision for bad debt Trade	6,928	50,707	6,928	50,707
Finance income	(31,771)	(2,935)	(31,771)	(2,935)
Provision for bad debt Intercompany	-	104,099	-	104,099
Income tax paid	(5,980)	(46,017)	(5,980)	(46,017)
Finance cost	506,033	523,088	506,033	523,088
	-----------	-----------	-----------	-----------
	702,176	**1,068,245**	**700,959**	**1,070,937**
	======	========	======	========
Changes in asset and liabilities:				
Increase in inventory	(517,823)	(977,447)	(517,823)	(977,447)
Increase in Trade and other receivables	(634,381)	(289,670)	(634,381)	(289,670))
Increase in due from related Companies	(116,752)	78,860	(411,923)	78,860
Decrease in Prepayment	713	350	713	350
Increase in Trade creditors and accruals	1,361,235	548,209	1,202,262	839,752
(Decrease)/Increase in provisions	(8,753)	8,038	(8,753)	8,038
Dividend payable	27,048	-	27,048	-
Decrease in company income tax	(80,283)	-	(77,008)	-
Increase in Deferred taxation	(4,849)	-	(4,849)	-
Increase in employee benefit liability	15,310	-	15,310	-
	------------	--------------	-----------	--------------
Net increase/(decrease) in assets and liabilities	**(11,619)**	**(582,279))**	**(409,402)**	**(340,117**
	------------	--------------	-------------	-------------
Net cash provided/utilised in operating activities	**690,557**	**485,966**	**291,557**	**730,820**
	======	=======	=======	========

38. Information relating to Employees

The average number of persons employed by the Group during the financial year was as follows:

	2014 Number	2013 Number
CEO's office and corporate affairs	6	6
Engineering /operation	81	78
Sales and marketing	23	23
Customer experience	4	4
Information systems	1	1
Human resources	4	3
Finance	13	11
	132	**126**

Employees of the Company, other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions) in the following ranges:

	2014 Number	2013 Number
Below 800,000	38	36
800,000 – 1,299,999	60	58
1,300,000 – 1,799,999	13	13
1,800,000 – 2,299,999	8	8
2,300,000 – 2,799,999	1	1
2,800,000 – 3,299,999	1	1
3,300,000 – 3,799,999	2	2
3,800,000 – 4,299,999	5	3
4,300,000 – 4,799,999	-	-
4,800,000 – 5,299,999	-	-
5,300,000 – above	4	4
	132	**126**

39. Information relating to Directors

39.1 Directors' mix

	2014	2013
Executive Directors	2	2
Non-executive Directors	8	8
	10	**10**

Disclosure on Non-IFRS Comparative Information

1. The Property, plant and equipment under the NGAAP would have complied with IFRS if the useful lives and residual values of the assets were re-estimated. The assets under NGAAP were stated and measured at cost or revalued amount less accumulated depreciation.
2. Under the NGAAP, there was no intangible asset because this was classified as fixed asset; this was measured at cost less accumulated depreciation.
3. Interest bearing loans under the NGAAP were not carried at amortised cost because this was not a requirement. It was recognised and measured at the carrying amount of the loan using the contractual interest rate.
4. Under the NGAAP government grant was not recognised. Upon recognition under IFRS, the benefit of the below-market rate of interest was measured as the difference between the initial carrying value of the loan and proceed received. These grants are recognised in the profit or loss on a systematic basis over the tenor of the loan.

39.2 Director's emolument

The aggregate emolument of the Directors was

	2014 N'000	2013 N'000
Fees	1,350	1,350
Salaries	12,178	18,255
Sitting allowance	350	350
Other fees & allowances	6,178	5400
Chairman emoluments (excluding pension contribution)	9,000	9,000
	---------	---------
	29,056	**34,355**
	======	======
Highest Paid Director	10,941	10,941
	=====	=====

40. Events after the reporting period

No events or transactions have occurred since its reporting date which would have a material effect upon the financial statements at that date or which need to be included in the financial statements in order to make them not misleading as to the financial position or result of operations.

Statement of Value Added

	Group				Company			
	2014		2013		2014		2013	
	N'000		N'000		N'000		N'000	
Sales of products and services	6,440,132		6,226,919		6,440,132		6,226,919	
Other operating income/(expense)	341,758		98,193		341,758		98,193	
Finance income	31,771		2,935		31,771		2,935	
	------------		-------------		-------------		--------------	
	6,813,611		6,330,982		6,813,611		6,330,982	
Deduct: Outside purchases of services and products:								
Local	1,710,359		1,597,518		1,710,494		1,593,724	
Import	3,990,839		3,621,694		3,991,152		3,613,738	
	---------------		---------------		-----------		-----------	
Value added	1,112,413		1,108,835		1,111,965		1,129,584	
	=======		=======		======		======	
Applied as follows:		%		%		%		%
To pay employee: - as salaries and labour related expenses	390,019	35	336,161	30	390,019	35	336,161	30
To provider of capital								
- interest	506,033	46	523,088	47	506,033	46	523,088	46
To Government:								
- as company taxes	24,616	2	39,025	4	24,616	2	39,025	4
- Education tax	4,923	1	7,806	1	4,923	-	7,806	1
Share of associate profit	-	-	765	0	-	-	-	-
- for assets replacementDepreciation	127,917	11	103,915	9	127,917	12	103,915	9
Deferred Taxation	(120,572)	(11)	(12,663)	(1)	(120,572)	(11)	(12,663)	1
Retained for the future operations	179,477	16	110,738	10	179,029	16	123,252	11
	----------------	-----	--------------	-----	-----------	-----	---------------	-----
	1,112,413	100	1,108,835	100	1,111,965	100	1,129,584	100
	=========	===	========	===	========	===	========	===

The value added represents the wealth created through the use of the group's assets by its own and its employees' efforts. This statement shows the allocation of wealth amongst employees, capital providers, government, and that retained for future creation of wealth.

Five Year Financial Summary (The Company)

	IFRS			NGAAP	
Year ended 31st December	2014	2013	2012	2011	2010
	N 000	N 000	N 000	N 000	N 000
Profit and loss account					
Revenue	6,440,132	6,226,919	6,189,891	3,840,482	3,145,920
	========	========	========	========	========
Profit before inco me Tax	87,996	157,420	176,762	223,221	220,025
Income tax expense	91,033	(34,168)	(90,900)	-	-
	-----------	-----------	----------	-----------	-----------
Profit for the year	179,029	123,252	85,862	176,204	212,137
	=======	=======	======	======	======
Employment of funds:					
Property, plant & Equipment	1,147,245	914,998	745,160	300,960	219,674
Investment in Subsidiary	250,000	250,000	5,000	-	-
Investment in Associate	243,000	243,000	-	-	-
Other non -current Asset	-	-	950	5,450	45,183
Net Current Asset	1,372,440	1,638,111	2,234,002	2,600,832	2,469,966
			-		-
Non -Current Liabilities	(72,355)	(180,532)	(211,649) -	(141,896)	(177,135)
	-------- --------	------------	------------	-----------	------------
Net Assets	2,940,331	2,865,577	2,773,463	2,765,346	2,557,688
	========	========	========	========	========
Funds Employed					
Share Capital	324,737	324,737	324,737	324,737	324,737
Share Premium Account	194,418	194,418	194,418	194,418	194,418
Retained Earnings	2,4 21,176	2,346,422	2,254,308	2,246,190	2,038,533
	---------------	--------------	--------------	--------------	-------------
	2,940,331	2,865,577	2,773,463	2,765,345	2,557,688
	========	========	========	========	========
Basic/diluted earnings per share(kobo)	0.28	0.19	12	16	33
Dividend per share (gross)	7.5	15	10	8	15
Net assets per share	453	441	427	426	393

Five-Year Financial Summary (The Group)

	IFRS			NGAAP	
Year ended 31st December	**2014**	**2013**	**2012**	**2011**	**2010**
	N 000	**N 000**	**N 000**	**N 000**	**N 000**
Profit or Loss and other comprehensive income					
Revenue	**6,440,132**	**6,226,919**	**6,189,891**	**3,840,482**	**3,251,672**
	========	========	========	=======	=======
Profit before Income Tax	88,444	**144,905**	171,007	148,283	220,541
Profit for the year	179,477	110,738	80,107	101,266	212,653
Total comprehensive Income for the year	172,676	144,550	67,314	184,680	212,653
Employment of Funds					
Property, plant & Equipment	2,045,695	1,414,448	1,244,610	800,410	1,044,252
Investments in associate	76,956	76,188	-	-	-
Other non-current Asset	-	-	950	950	39,683
Net Current Asset	968,993	1,633,984	1,993,020	2,596,103	1,931,186
Non-Current Liabilities	(72,355)	(180,532)	(217,475)	(801,175)	(667,694)
	--------------	--------------	------------	------------	-------------
Net Assets	**3,019,289**	**2,944,087**	**3,021,105**	**2,596,288**	**2,347,427**
	========	========	========	=======	=======
Funds Employed					
Share Capital	324,737	324,737	324,737	324,737	324,737
Share Premium Account	194,418	194,418	194,418	194,418	194,418
Retained Earnings	2,251,866	2,176,504	2,253,129	2,072,685	1,917,706
Non-controlling interest	248,268	248,428	248,821	4,448	89,434
	--------------	--------------	------------	------------	-------------
	3,019,289	**2,944,087**	**3,021,105**	**2,596,288**	**2,347,427**
	========	========	========	=======	=======
Basic/diluted earnings per share (kobo)	0.28	(0.17)	12	16	33
Dividend per share (gross)	7.5	15	10	10	8
Net assets per share	467	453	480	455	361

Shareholders' Information

ACTIVE SHAREHOLDERS - SUMMARY

Range			*No. of Holders*	*Holders %*	*Holders Cum.*	*Units*	*Units %*	*Units Cum.*
1	-	1,000	36,462	82.57%	36,462	16,572,647	2.55%	16,572,647
1,001	-	5,000	6,140	13.90%	42,602	12,248,693	1.88%	28,821,340
5,001	-	10,000	745	1.69%	43,347	5,270,686	0.81%	34,092,026
10,001	-	50,000	598	1.35%	43,945	12,198,169	1.88%	46,290,195
50,001	-	100,000	99	0.22%	44,044	7,107,904	1.09%	53,398,099
100,001	-	500,000	79	0.18%	44,123	15,890,467	2.45%	69,288,566
500,001	-	1,000,000	13	0.03%	44,136	8,993,826	1.38%	78,282,392
1,000,001	-	Above	25	0.06%	44,161	571,543,273	87.95%	649,825,665
Grand Total		**44,161**	**100.00%**		**649,825,665**	**100.00%**		

Total number of shareholders: 44,161

Total number of shares issued and paid for: 649,825,665

No shareholder other than Scoa International SA, holds five percent or more of the equity shares of the company.

d) DETAILED DIVIDEND PAYMENTS:

Div Number	**Date Payable**	**Div. Number**	**Date Payable**
01	24-04-79	18	08-08-90
02	19-07-79	19	13-09-91
03	13-08-80	20	23-09-94
04	16-03-81	21	09-08-95
05	30-09-81	22	02-08-96
06	30-04-82	23	08-08-97
07	30-09-82	24	07-08-98
08.	29-04-83	25	06-08-99
09	27-09-83	26	09-08-00
10	19-04-84	27	13-08-01
11	10-05-85	28	07-10-02
12.	01-08-85	29	24-09-03
13	20-05-86	30	01-04-08
14	31-07-86	31	30-04-09
15	22-04-87	32	23-02-10
16	07-10-87	33	24-12-10
17	28-10-88	34	15-09-11
		35	13-09-12
		36	18-12-13
		37	10-09-14

PUBLIC / RIGHTS / SCRIP ISSUES

TYPE OF ISSUE	**YEAR**
Offer for Subscription	1977
Scrip	1978
Scrip	1983
Scrip	1988
Rights/Offer for Subscription	1989
Scrip	2001
Rights Issue	2003

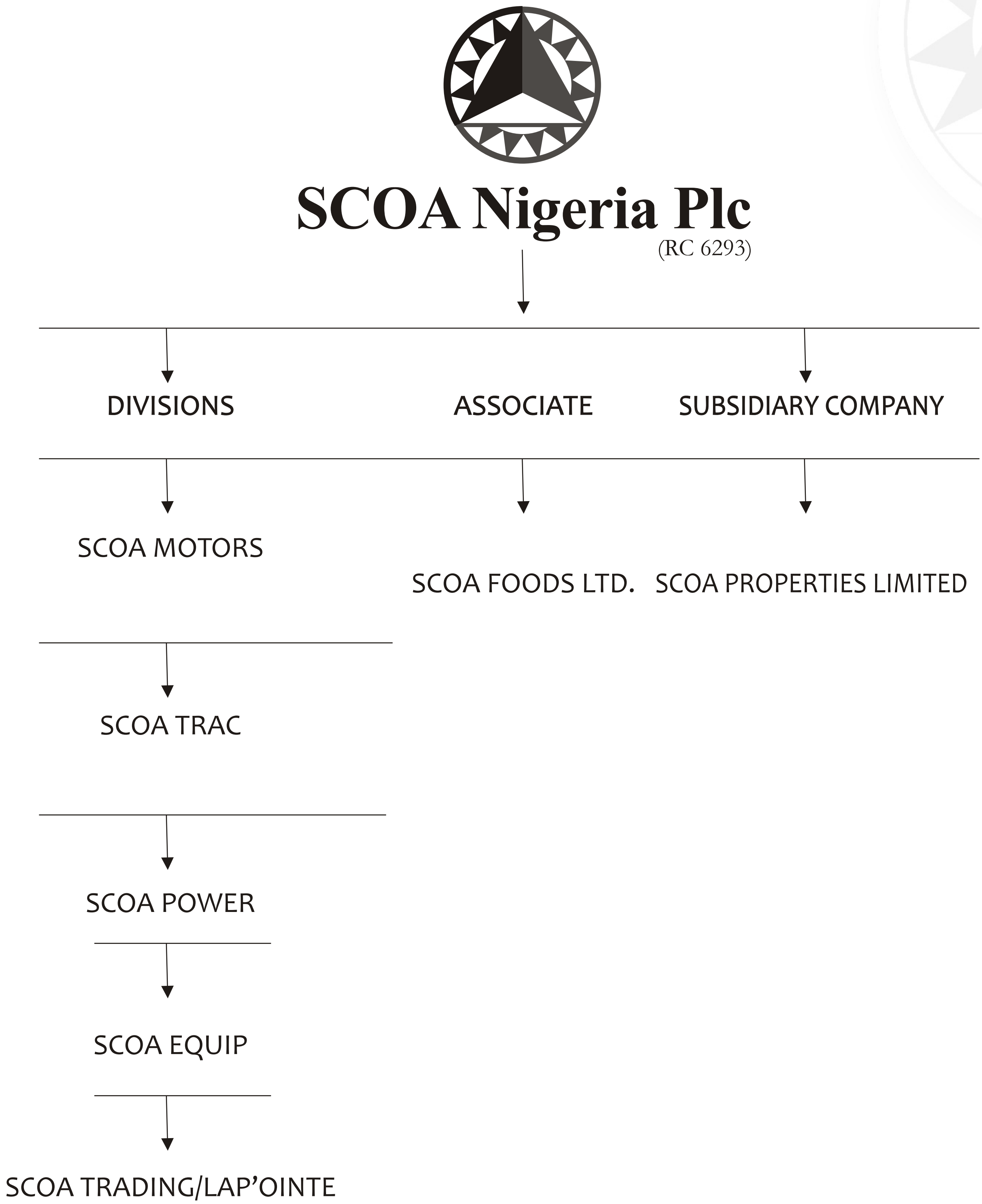
Shareholders are requested to contact the Registrar, Africa Prudential Registrars Plc [Formerly UBA Registrars Limited] 220B Ikorodu Road, Palmgrove, Lagos, Nigeria for any unclaimed dividends and/or share certificates.

Share Capital History

The Company's authorized and fully paid up share capital has increased over the years as follows:

Date	Authorised Share Capital Increased From (=N=)	Authorised Share Capital Increased To (=N=)	Issued and fully paid Share Capital Increased From (=N=)	Issued and fully paid Share Capital Increased To (=N=)	Consideration
24/06/69	-	2,000,000	-	4	Cash
04/09/69	-	2,000,000	4	32,894	Asset
04/09/69	-	2,000,000	32,894	1,232,890	Asset
02/09/72	-	2,000,000	1,232,890	2,000,000	Cash
07/07/72	2,000,000	3,000,000	2,000,000	-	-
18/12/72	-	3,000,000	2,000,000	2,100,000	Cash
24/01/73	-	3,000,000	2,100,000	2,600,000	Cash
31/05/73	-	3,000,000	2,600,000	2,900,000	Cash
15/09/73	-	3,000,000	2,900,000	2,940,000	Cash
31/01/74	-	3,000,000	2,940,000	3,000,000	Cash
23/04/76	3,000,000	6,000,000	3,000,000	6,000,000	Bonus Issue
27/09/76	6,000,000	12,000,000	6,000,000	6,000,000	-
21/01/77	12,000,000	12,000,000	6,000,000	12,000,000	Bonus Issue
30/03/77	12,000,000	18,000,000	12,000,000	12,000,000	Bonus Issue
16/04/77	18,000,000	18,000,000	12,000,000	18,000,000	Bonus Issue
10/12/78	18,000,000	24,000,000	18,000,000	24,000,000	Bonus Issue
14/04/83	24,000,000	32,000,000	24,000,000	32,000,000	Bonus Issue
21/04/88	32,000,000	44,800,000	32,000,000	44,800,000	Bonus Issue
23/01/90	44,800,000	344,800,000	44,800,000	114,800,000	Cash
12/11/92	344,800,000	412,000,000	114,800,000	197,200,000	Cash
25/07/01	412,000,000	412,000,000	197,200,000	246,500,000	Bonus Issue
20/09/02	412,000,000	1,000,000,000	246,500,000	246,500,000	Authorised Capital Increase
11/09/03	1,000,000,000	1,000,000,000	246,500,000	324,737,000	Rights Issue

Organisation Chart



Proxy Form

Annual General Meeting of Members of Scoa Nigeria Plc will be held at Nicon Luxury Hotel, Plot 903 , Tafawa Balewa Way, Area 11, Garki, Abuja on Wednesday, 30th September, 2015 at 11.00am.

I/We..

....

At...

being a member/members of Scoa Nigeria Plc, hereby appoint**..
or failing him the Chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, 30th September, 2015 or at any adjournment thereof.

Dated 29th April, 2015

....
Shareholder's Signature
Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolution set

Resolutions	For	Against
1. To declare a dividend;		
2. To re-elect the Directors: a). Chief Odunayo Olagundoye b). Engr. Amresh Shrivastava		
3.To authorize the Directors to fix the remuneration of the Auditors		
4. To elect members of the Audit Committee		

Please indicate with 'X' in the appropriate square how you wish your votes to be cast on the resolution set out above. Unless otherwise instructed the proxy will vote or abstain from voting at his/her discretion.

Please deliver or post the Proxy Form so as to reach the Registrar, Africa Prudential Registrars Plc [Formerly UBA Registrars Limited] 220B Ikorodu Road, Palmgrove, Lagos, Nigeria not later than 11.00am. 29th September, 2015. The Proxy Form should NOT be completed and sent to the address if the member will be attending the meeting.

Notes:

1. A member (shareholder) who is unable to attend an Annual General Meeting is allowed to vote by proxy. The Proxy Form has been prepared to enable you exercise your right to vote in case you cannot personally attend the meeting
2. Provision has been made on the form for the Chairman of the Meeting to act as your proxy but if you wish you may insert in the blank space on the form (marked**) the name of any person, whether a member of the company or not, who will attend the Meeting and vote on your behalf instead of the Chairman of the meeting.
3. If the Proxy Form is executed by a Corporation, it should be sealed with the Common Seal or under the hand and seal of its Attorney.
4. The admission card must be produced by the shareholder or his proxy in order to obtain entrance to the Annual General Meeting.

Before posting the above form, tear off this part and retain it.

Admission Form

ANNUAL GENERAL MEETING

Please admit the shareholder named on this form or his duly appointed proxy to the Annual General Meeting of Scoa Nigeria Plc, to be held at 11.00am at Nicon Luxury Hotel, Plot 903 , Tafawa Balewa Way, Area 11, Garki, Abuja on Wednesday, 30th September, 2015

Name of Shareholder ....

Number of Shares ....Signature of person attending ....

Africa Prudential Registrars Plc,
220B, Ikorodu Road, Palmgrove,
PMB 12649,
Lagos.

E-Dividend Mandate

AfricaPrudentialRegistrars Plc
RC: 649007

E-DIVIDEND MANDATE/REPLACEMENT FORM

Dear Shareholder,

We are pleased to advise you of our new e-dividend service, which enables direct credit of your dividend(s) [new dividend payments/lost/misplaced/stale/unclaimed dividend warrants to your bank account regardless of the bank or account type, i.e Current/Savings Accounts.

Should you prefer this service, kindly fill the spaces provided below and return to us.

Please use the name(s) in which your shares are held, with the signature on your Application or Transfer Form.

Thank you.

The Managing Director/Registrar
Africa Prudential Registrars Plc
220B, Ikorodu Road, Palmgrove
Lagos.

Company(ies) where share is held (please tick appropriate boxes like this ☑)

- ☐ UBA Plc
- ☐ UTC Nigeria Plc
- ☐ SCOA Nigeria Plc
- ☐ NEM Insurance Plc
- ☐ Jaiz International Plc
- ☐ ALUMACO
- ☐ Resort Savings and Loans Plc
- ☐ Transcorp Plc
- ☐ Computer Warehouse
- ☐ Poly Product
- ☐ West African Glass Industries Plc
- ☐ Cement Company of Northern Nig. Plc
- ☐ Cappa & D'Alberto Plc
- ☐ Champion Breweries Plc
- ☐ International Breweries Plc
- ☐ Roads Nigeria Plc
- ☐ ARM Properties Plc
- ☐ Portland Paints & Products

☐ Others *(please specify in the boxes provided)* ______ ______ ______ ______ ______

Please take this as authority to credit my/our under-mentioned account with any dividend payment(s)/lost/misplaced/stale/unclaimed dividend warrants due on my/our shareholding in the aforementioned company(ies) the particulars of which are stated below from the date hereof:

Shareholder's Name*: ______________________
(Surname) (Other Names)

Shareholder's Account No. (if Known): ______

Address*: ______________________

Mobile Number*: ______

Fax Number: ______ **e-mail Address*:** ______

Bank Name*: ______ **Branch*:** ______

Bank Account No*: ______ **Account Type*:** ______

Dated this* ______ day of ______ 20__

Bank Stamp & Authorized Signatories ***Shareholder(s) Signatories***

Note:
The provision of information on your Bank Name, Bank Account No., E-mail address and Mobile number are very important to enable us process your request. All asterisked fields (*) are compulsory.

*Shareholders in the North and South-south region of the country are advised to contact our **Abuja** or **Port-Harcourt** Liaison Office for all enquiries concerning shareholding in any of our client companies (see addresses below).*

Lagos
220B, Ikorodu Road, Palmgrove,
PMB 12649, Marina
Lagos.
Tel: 01-8401153

Abuja
11, Lafia Close,
Area 8, Garki; Abuja.
Tel: 09-8701645

Port-Harcourt
Plot 137, Olu-Obasanjo Road
(2nd floor), Port-Harcourt
Rivers State.

E-mail: info@africaprudentialregistrars.com
Website: www.africaprudentialregistrars.com

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Email: info@scoaplc.com

Hambak

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