

AFRICAN CONSUMER CARE LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH, 2021**

**AFRICAN CONSUMER CARE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021**

CONTENTS	PAGES
Corporate Informations	1
Directors' Report	2
Statement of Directors Responsibilities	4
Report of the independent auditors	5
Statement of financial position	7
Statement of Profit or loss and other comprehensive income	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the IFRS Financial Statements	11

AFRICAN CONSUMER CARE LIMITED

DIRECTORS, PROFESSIONAL ADVISERS AND REGISTERED OFFICE

DIRECTORS

Mr. Pritam Das Narang
Mr. Mohit Malhotra
Mr. Sanjay Kashyap
Mr. Manish Mathur
Mr. Krishan Kumar Chutani

SECRETARIES

Optimum Management Associates
3, Military Street
Onikan
Lagos

REGISTERED OFFICE:

Plot B Alakoso Avenue, Olympic Street
Amuwo Odofin Industrial Area.
Festac Town.
Lagos

AUDITORS:

Messrs. AOOA & Associates
(Chartered Accountants)
10th Floor
8/10 Broad Street
Lagos.

PRINCIPAL BANKER:

First City Monument Bank Plc
Standard Chartered Bank Plc
UBA Plc
Zenith Bank Plc

AFRICAN CONSUMER CARE LIMITED

DIRECTORS REPORT **FOR THE YEAR ENDED 31ST MARCH, 2021**

The Directors submit their Annual Report together with the Audited Financial Statements for the year ended 31st March, 2021.

1	<u>OPERATING RESULT</u>	N
	Profit for the period	205,965,901
	Taxation	(13,151,140)
	Profit After Taxation	<u>192,814,761</u>

2 **LEGAL FORM**

The Company was incorporated in Nigeria as a Private Company Limited by shares on the 11th June, 2004.

3 **PRINCIPAL ACTIVITIES AND BUSINESS**

The Company is engaged in the manufacturing of beauty and health care products.

4 **SHAREHOLDINGS**

The Company's Shares are held by the underlisted Shareholders as at 31st March, 2021

	<i>Class</i>	<i>No. of Shares</i>	<i>Status</i>
Dabur International Limited	Ordinary	236,992,414	Foreign
Dabur UK Limited	Ordinary	4,405,000	Foreign
Dabur International Limited	Preference	1,478,903,000	Foreign
		<u>1,720,300,414</u>	

5 **DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for the preparation of financial statements in accordance with the accounting standards issued by Financial Reporting Council of Nigeria and to ensure compliance with the provisions of the Companies and Allied Matters Act CAP C20 LFN 2020. The Directors are of the view that the Company will continue in business hence the use of the "going concern basis" in the preparation of the financial statements.

The Directors hereby give assurances that:-

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

DIRECTORS REPORT
FOR THE YEAR ENDED 31ST MARCH, 2021

6 DIRECTORS

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

Mr. Pritam Das Narang (Indian)
Mr. Mohit Malhotra(Indian)
Mr. Sanjay Kashyap (Indian)
Mr. Manish Mathur(Indian)
Mr. Krishan Kumar Chutani

7 Employees' Involvement and Training

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

Employment of Disabled Persons

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

8 AUDITORS

In accordance with Section 401(2) of the Companies and Allied Matters Act, CAP 20 LFN 2020, **Messrs AOOA & Associates** (Chartered Accountants), have indicated their willingness to continue in office.

Dated this day of 28th May, 2021


OPTIMUM MANAGEMENT ASSOCIATES

Secretaries

AFRICAN CONSUMER CARE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31ST MARCH, 2021

The Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the period. 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 2020 and International Financial Reporting Standards;
- b) establish adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) prepare 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 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 and the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2020 and the Financial Reporting Council Act No. 6, 2011.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company for the year ended 31st March 2021. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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



Director

Director



(Chartered Accountants & Tax Practitioners)
10th Floor, 8/10, Broad Street, Lagos. Tel: 0708 887 5253.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AFRICAN CONSUMER CARE LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of *African Consumer Care Limited* which comprise the statement of financial position as at 31st March, 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20, Law of the Federation of Nigeria 2020 and in compliance with the Financial Reporting Council Act, No. 6, 2011 and for such internal control as the Directors determine is necessary to enable the preparation of 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 financial statements based on our audit. We conducted our audit in accordance with 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 financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 account estimates made by the Directors, as well as evaluating the overall presentation of the 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 financial statements give a true and fair view of the financial position of *African Consumer Care Limited* as at 31st March, 2021 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, CAP C20, Law of the Federation of Nigeria 2020 and in compliance with the Financial Reporting Council Act, No. 6, 2011.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AFRICAN CONSUMER CARE LIMITED- Continued

REPORT ON THE ENABLING ACT 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 2020, 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 Company, so far as appears from our examination of those books; and
- iii) the Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

A handwritten signature in blue ink, appearing to read 'K. M. O. O. A.', is written over the printed name of the firm.

AOOA ASSOCIATES
(Chartered Accountants)
LAGOS – NIGERIA

May 28, 2021



AFRICAN CONSUMER CARE LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH, 2021**

	Note	31/03/2021 N	31/03/2020 N
Non-current assets			
Property, plant and equipment	11	806,442,859	943,077,288
Intangible Assets	12	5,187,075	6,776,662
Total non-current assets		811,629,934	949,853,950
Current assets			
Inventories	13	1,404,943,716	762,496,736
Trade receivables	14	343,998,732	204,702,486
Other assets	15	484,976,877	182,454,792
Cash and bank balances	16	209,072,797	303,936,942
Total current assets		2,442,992,122	1,453,590,956
Total assets		3,254,622,056	2,403,444,906
Equity			
Share capital	18	1,720,300,414	1,720,300,414
Retained earnings	19	113,399,781	(79,414,981)
Total equity		1,833,700,195	1,640,885,433
Non-current liabilities			
Retirement benefit obligation	20.2	38,157,205	31,262,325
		38,157,205	31,262,325
Total non-current liabilities		38,157,205	31,262,325
Current liabilities			
Trade and other payables	17	1,369,613,516	716,155,470
Taxation payable	10.3	13,151,140	15,141,678
Total current liabilities		1,382,764,656	731,297,148
Total liabilities		1,420,921,861	762,559,473
Total equity and Liabilities		3,254,622,056	2,403,444,906

The financial statements were approved by the board of directors and authorised for issue on 28th May, 2021. They were signed on its behalf by:


Director


Director

AFRICAN CONSUMER CARE LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH, 2021

	Note	12 Months Ended 31/03/2021 N	12 Months Ended 31/03/2020 N
Revenue	5	2,783,739,154	2,685,595,925
Cost of sales	6	<u>(1,865,577,546)</u>	<u>(1,808,594,862)</u>
Gross Profit		918,161,608	877,001,063
Administrative expenses	8	(379,141,691)	(589,049,736)
Selling and Distribution expenses	9	(409,505,020)	(325,042,018)
Operating Profit/(Loss)		129,514,897	(37,090,691)
Other income/(charges)	7	76,451,004	(6,342,722)
Profit/(Loss) before tax		205,965,901	(43,433,413)
Income Tax	10.1	<u>(13,151,140)</u>	<u>(15,141,677)</u>
Profit/(Loss) for the period		192,814,761	(58,575,090)
Other comprehensive income		-	-
Total Comprehensive Profit/(Loss) for the Year		192,814,761	(58,575,090)

The statement of significant accounting policies on pages 11 to 23 and the accompanying explanatory notes on pages 24 to 39 form an integral part of these financial statements.

AFRICAN CONSUMER CARE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

Equity attributable to equity holders	Share capital N	Retained earnings N	Total N
Balance at 31 March 2019	1,720,300,414	(20,839,891)	1,699,460,523
Issue of share capital	-	-	-
Loss for the period		(58,575,090)	(58,575,090)
Balance at 31 March 2020	1,720,300,414	(79,414,981)	1,640,885,433
Profit for the period		192,814,761	192,814,761
Balance at 31 March, 2021	1,720,300,414	113,399,780	1,833,700,194

The accompanying notes on pages 11 to 39 form an integral part of these financial statements.

AFRICAN CONSUMER CARE LIMITED

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

	Note	31/03/2021 N	31/03/2020 N
Cashflow from operating activities			
Cash received from customers		2,712,191,721	2,659,768,307
Cash paid to suppliers and employees		<u>(2,844,777,030)</u>	<u>(2,677,865,584)</u>
Cash generated from operations	22	(132,585,309)	(18,097,277)
Income taxes paid		<u>(15,141,678)</u>	<u>(1,383,200)</u>
Net cash generated by/(used in) operating activities		<u>(147,726,987)</u>	<u>(19,480,477)</u>
Cashflow from investing activities			
Purchase of property, plant and equipment		(39,116,314)	(30,045,653)
Purchase of Intangible Assets		-	(8,366,250)
Proceed on Sale of PPE		91,979,157	1,992,500
Net cash used in investing activities		<u>52,862,843</u>	<u>(36,419,403)</u>
Net cash generated by financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(94,864,144)	(55,899,880)
Cash and cash equivalents at beginning of the year		<u>303,936,941</u>	<u>359,836,821</u>
Cash and cash equivalents at end of the year	16	<u>209,072,797</u>	<u>303,936,941</u>

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

1. Description of business

African Consumer Care Limited was incorporated as a private Company Limited by Shares on the 11th June, 2004

The company's registered office is located at Plot B, Alakoso Avenue, Olympic street, Amuwo Odofin Industrial Estate, Festac Town, Lagos.

The company is principally engaged in manufacturing of beauty and health care.

1.1 Composition of financial statements

The financial statements are drawn up in naira, the functional currency of African Consumer Care Limited in accordance with International Financial Reporting Standards (IFRS). The company's financial statements is prepared under IFRS and comprise:

- Statement of profit or loss and other comprehensive Income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements.

1.2 Basis of preparation

The financial statements have been prepared using the historical cost convention as stated in the accounting policies.

1.3 Financial period

These financial statements cover the financial period ended 31st March, 2021 and applicable amounts for the financial period ended 31 March 2020.

1.4 Statement of compliance

These financial statements have been prepared in accordance with International Financial reporting Standards.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

2 Adoption of new and revised International Financial Reporting Standards (IFRSs)

Accounting standards and interpretations issued but not yet effective

The following revisions to accounting standards and pronouncements were issued but are not yet effective. Early adoption is permitted for some of the IFRSs and IFRIC Interpretations listed below. However, the company has not applied any in the preparation of these financial statements.

The full impact of these IFRSs and IFRIC Interpretations is currently being assessed by the company, but none of these pronouncements are expected to result in any material adjustments to the financial statements.

a IFRS 17 - Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.

IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.

b Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Annual reporting periods beginning on or after 1 January 2022.

c Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

Annual reporting periods beginning on or after 1 January 2021.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

3. Significant accounting policies

3.1 Statement of Compliance

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

3.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue represents net sales invoiced to third parties and the ability to collect the related receivables is reasonably assured.

3.3.1 Revenue from sale of goods

Revenue from the sale of goods is recognised when all the following conditions are

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3.3.2 Interest Income

Interest income from financial assets is recognised when it is probable that the economic benefits will flow to the company and the amount can be reliably measured.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3.4 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

The company as lessee

Assets held under finance leases are initially recognised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.5 Foreign currency translation

The financial statements of African Consumer Care Limited are presented in Naira, which is the company's functional currency. In preparing the financial statements, transactions in currencies other than the company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions.

Monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at each reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Any resulting exchange differences are included in administration expenses in the statement of profit or loss. Non-monetary items of historic cost, that are denominated in foreign currency, are translated at the date of the original transaction, and are not re-translated.

Exchange differences arising on the settlement of monetary items are included in the statement of profit or loss for the year.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

3.6 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.6.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

3.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted by the end of the reporting period.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2021**

3.7 Earnings per share

Earnings per share is calculated by dividing net income by the number of ordinary shares outstanding during the period.

3.8 Employee Benefits

3.8.1 Defined Contribution Plans

Payments to defined contribution retirement benefit plans are recognised as an expense in the period in which employees have rendered services entitling them to the contributions.

3.8.2 Defined benefit plans

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest) is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as (a) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); (b) Net interest expense or income; and (c) Remeasurement.

The company presents the first two components of defined benefit costs in statement of profit or loss as staff gratuity cost.

3.8.3 Other employee benefits

Other short and long-term employee benefits, are recognised as an expense over the period in which they accrue.

3.9 Inventories

Inventories are valued at the lower of cost and estimated net realizable value. The cost of products manufactured by the Company comprises direct material and labour costs together with appropriate factory overheads. The cost of raw materials and goods for resale is determined on a weighted average basis. Net realizable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. Inventory held as consignment stock is recognised as an asset in the balance sheet at cost, as the risks and rewards of ownership have been transferred to the Company. A corresponding liability is also recognized in the balance sheet.

3.10 Property plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of self-constructed assets includes the costs of materials and direct labour. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on other assets is charged to the income statement using the straight-line method so as to write off the cost less their residual values over their estimated useful lives on the following bases:

	Useful Life (years)
Factory Building	20
Plant and machinery	10
Computer	4
Motor Vehicles	2 - 5
Furniture fittings and equipment	10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

3.11 Intangible assets

3.11.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Computer Software Costs

Costs associated with maintaining computer software programs are recognised as an expense as incurred

Costs that are directly associated with identifiable and unique software products controlled by the company and will probably generate economic benefits beyond one years are recognised as intangible assets.

Expenditures which enhance or extend the performance of computer software programs beyond their original specifications are capitalised and added to the original cost of the software. Computer software development costs recognised as assets are amortized using the straight-line method over their useful lives.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

3.11.2 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3.12 Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate independent cash flows from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.13 Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as provisions is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of these cashflows (when the effect of the time value of money is material).

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.14 Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition, except for transaction costs relating to financial assets or financial liabilities at fair value through profit or loss, which are recognised immediately in profit or loss.

3.14.1 Financial assets

Financial assets are classified into: (a) loans and receivables, (b) held-to-maturity investments (c) Available-for-sale and (d) financial assets at fair value through profit or loss. Financial assets are subsequently measured based on their nature and purpose as determined at initial recognition. The company does not have financial assets classified as available for sale, held-to-maturity and at fair value through profit or loss.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

- ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including [trade and other receivables and cash and bank balances] are subsequently measured at amortised cost using the effective interest method, less any 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 cost in the income statement. The losses arising from impairment are recognised in the income statement in finance costs. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- ***Cash and cash equivalents***

Cash and cash equivalents are comprised of cash in hand and highly liquid short-term investments that are easily convertible into known amounts of cash and are subject to insignificant risks of changes in value.

Impairment of Loans and receivables

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. If, in a subsequent period, the amount of the impairment loss decreases as a result of an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

- ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when the company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

3.15 Financial Liabilities and equity instruments

3.15.1 Classification as equity

Equity instruments issued by the entity are classified as equity in accordance with the substance of the contractual arrangement and definition of equity instrument.

Equity Instruments

An equity instrument is any contract that evidence a residual interest in the assets of the entity after deducting all of its liabilities. Equity Instruments issued are recognised at the proceeds received, net direct issue cost.

3.15.2 Financial liabilities

Financial liabilities are classified as either at 'FVTPL' or other financial liabilities. The entity has no financial liabilities classified as 'FVTPL'.

- **Other financial liabilities**

Other financial liabilities (including borrowings and trade and other payables) are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

- **Derecognition of financial liabilities**

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.2.1 Defined benefit Obligation assumptions

4.2.1a Gratuity - Non Statutory

Under the Nigerian Labour practice and based on agreements entered into with labour unions on retirement benefits, gratuity is payable to an employee after the completion of five (5) years service. It therefore follows that any employee that serves for less than five (5) years will not be entitled to gratuity on leaving the company's employment. The company's policy is to make annual provision based on industry practice for plastic manufacturers.

The subsequent provisions when the obligations becomes due will take into account the following assumptions namely: the discount rate, Labour turnover rate, inflation rate and the salary growth rate after the current year.

4.2.1b Defined contribution plans - Statutory

The company makes deductions in accordance with the Pension Reform Act of 2014. The employees and the employer contributed 8% and 10% respectively on basic, housing and transport allowances. The company's contribution to the pension scheme is charged to the statement of profit or loss account.

The only obligation of the company with respect to the retirement benefit plan is to make the specified contributions.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	31/03/2021 N	31/03/2020 N
5 Revenue		
Sale of Goods - Domestic	2,312,048,384	2,591,661,835
Sale of Goods - Export	471,690,770	93,934,090
	<u>2,783,739,154</u>	<u>2,685,595,925</u>
6 Production cost		
Opening raw material	524,019,890	433,581,298
Purchases	1,600,994,063	1,702,800,170
	<u>2,125,013,953</u>	<u>2,136,381,468</u>
Less closing raw material	(636,710,756)	(524,019,890)
Raw materials consumed	<u>1,488,303,197</u>	<u>1,612,361,578</u>
Conversion cost		
Production wages	53,279,588	59,037,192
Production overheads	335,119,077	107,260,297
Depreciation	44,246,240	46,377,037
	<u>1,920,948,102</u>	<u>1,825,036,104</u>
Opening work in progress	4,407,861	7,036,659
Closing work in progress	(14,953,464)	(4,407,861)
Production cost	<u>1,910,402,499</u>	<u>1,827,664,902</u>
Cost of sales		
Opening finished goods	110,452,415	91,382,375
Production cost	<u>1,910,402,499</u>	<u>1,827,664,902</u>
	<u>2,020,854,914</u>	<u>1,919,047,277</u>
Less closing finished goods	(155,277,368)	(110,452,415)
	<u>1,865,577,546</u>	<u>1,808,594,862</u>
7 Other income and charges		
	31/03/2021 N	31/03/2020 N
Sales Of Scrap	2,335,310	1,328,350
Miscellaneous Income	69,344,222	387
Profit on sale of Fixed Assets	11,367,625	1,008,126
Exchange Loss	(6,596,153)	(8,679,585)
	<u>76,451,004</u>	<u>(6,342,722)</u>

The miscellaneous income for 31st March 2021 includes a rebate of N69,326,816 from Dabur International Limited to cushion the impact of loss incurred in previous years. This has been recognised as other income and subjected to income tax.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	31/03/2021 N	31/03/2020 N
8 Administrative expenses		
Staff cost	105,609,248	161,233,676
Rental Charges	24,796,405	24,072,556
Legal & professional fees	10,890,988	28,182,963
Establishment Charges	151,280,924	242,254,646
Audit Fees	4,031,250	4,031,250
Bank charges	30,050,315	56,125,714
Amortization - Intangible Assets	1,589,588	1,589,588
Asset Impaired	-	8,412,525
Depreciation	50,892,973	63,146,818
	379,141,691	589,049,736
8.1 Staff Cost Details		
Salaries and Allowances	93,156,657	146,070,921
Pension	5,557,711	5,570,424
Gratuity	6,894,880	9,592,331
	105,609,248	161,233,676
9 Selling and Distribution expenses		
Selling expenses	389,268,573	298,272,757
Distribution expenses	20,236,447	26,769,261
	409,505,020	325,042,018
10 Taxation		
10.1 Income tax recognised in profit or loss		
<i>Current tax</i>		
Current tax expense in respect of the current year:		
Income tax-30%	-	-
Education tax-2%	6,191,792	1,713,698
Minimum tax	6,959,348	13,427,980
Current tax liability	13,151,140	15,141,677
Deferred Tax	-	-
Total tax assets credited to the profit or loss	13,151,140	15,141,677

The company is subjected to minimum tax in line with the amendment to Company Income Tax Act Cap 60 LFN 1990 as contained in Finance bill 2020 as amended.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

10 Taxation (contd)

10.2 Current tax rates

Corporation tax is calculated at 30 per cent (2020: 30 per cent) of the estimated taxable profit for the year. The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21, LFN, 2004 as amended.

The charge for education tax of 2 per cent (2020: 2 per cent) is based on the provisions of the Education Tax Act, CAP E4, LFN, 2004.

10.3 Taxation Payable

	31/03/2021	31/03/2020
	N	N
At 1 April	15,141,678	1,383,201
Charged for the year	13,151,140	15,141,677
Payments during the year	(15,141,678)	(1,383,200)
At 31 March	<u>13,151,140</u>	<u>15,141,678</u>

10.4 Deferred taxation

	31/03/2021	31/03/2020
	N	N
At 1 April	253,563,785	222,343,428
Charge/(write back) in the year	(37,261,402)	31,220,357
At 31 March	<u>216,302,383</u>	<u>253,563,785</u>

The deferred tax computation resulted to a deferred tax Asset of N216,302,383 for the period ended 31st March 2021. The company did not include in the financial statement the deferred tax assets shown above.

AFRICAN CONSUMER CARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2020**

11 Property, plant and equipment

	Freehold land & Building N	Plant and machinery N	Furniture and Equipment N	Computer Equipment N	Motor vehicles N	Moulds N	Total N
At 1 April 2020	920,443,507	620,387,290	27,761,072	13,962,926	78,519,036	10,156,145	1,671,229,976
Additions	2,512,940	32,508,374	1,578,000	2,517,000	-	-	39,116,314
Disposal	-	(112,423,646)	-	-	(975,000)	-	(113,398,646)
At 31 March 2021	922,956,447	540,472,018	29,339,072	16,479,926	77,544,036	10,156,145	1,596,947,644
At 1 April 2020	311,719,591	331,685,251	15,547,004	9,161,351	58,257,817	1,781,674	728,152,688
Charged for the year	40,366,062	44,246,240	2,105,323	2,261,887	5,194,867	964,834	95,139,213
Disposal	-	(31,861,733)	-	-	(925,383)	-	(32,787,116)
At 31 March 2021	352,085,653	344,069,758	17,652,327	11,423,238	62,527,301	2,746,508	790,504,785
Carrying amount							
At 31 March 2021	570,870,794	196,402,260	11,686,745	5,056,688	15,016,735	7,409,637	806,442,859
At 31 March, 2020	608,723,916	288,702,039	12,214,068	4,801,575	20,261,219	8,374,471	943,077,288

11.1 The following estimated useful lives were used in the computation of depreciation charge during the year:

Class	Useful lives
Freehold Land	Nil
Building	20 years
Moulds	12 years
Plant and Machinery	10 years
Furniture and Equipment	10 years
Computer Equipment	4 years
Motor Vehicles	2 - 5 years

11.2 Impairment losses recognised in the year

There were no impairment losses recognized during the year.

11.3 Contractual commitments

At 31st March 2021, the company had no contractual commitments for the acquisition of property, plant and equipment (March 2020: Nil).

11.4 Capital Work - In - Progress

This represents cost of works yet to be capitalised. No depreciation charge has been recognised on this item.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	31/03/2021	31/03/2020
12 Intangible assets	computer software	Total
Cost	N'000	N'000
At 1 April 2020	8,366,250	
Additions	-	8,366,250
At 31st March 2021	8,366,250	8,366,250
Accumulated amortisation		
At 1 April 2020	1,589,588	1,589,588
Amortisation charge	1,589,587	1,589,587
At 31st March 2021	3,179,175	3,179,175
Net book value		
At 31st March 2021	5,187,075	5,187,075
At 31st March 2020	6,776,662	6,776,662
	31/03/2021	31/03/2020
	N	N
13 Inventories		
Raw materials	636,710,756	524,019,890
Finished Goods	155,277,368	110,452,415
Traded Goods	61,052,744	43,279,480
Work In Progress	14,953,464	4,407,861
Consumables	1,995,562	1,640,872
Goods- In - Transit	565,374,869	115,439,971
	1,435,364,763	799,240,489
Provision for Inventory Impairment	(30,421,047)	(36,743,753)
	1,404,943,716	762,496,736
No item of inventories was pledged as a collateral.		
14 Trade and other receivables		
Trade receivables	343,998,732	204,702,486
	343,998,732	204,702,486

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

14.1 Trade and other receivables

Trade receivables

Trade receivables disclosed above are classified as trade and other receivables and are therefore measured at

The average credit period taken on sales of goods is 30 days. No interest is charged on the overdue receivables. The company recognises allowance for doubtful debts of 100% against all receivables over 365 days. It is the company's policy to make full provision for debts above 365 days as prudence demands that a customer that fails to service his debts for 12 months is unlikely to pay. Also when ever there is doubt over the recoverability of a receivable that is less than 360 days an allowance is also made.

Before accepting any new distributor, the company ensures that the distributor credit rating is within the credit threshold established by management for specific credit period and credit limit.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	31/03/2021 N	31/03/2020 N
14.1 Trade receivables - continue		
Trade receivables disclosed above include amounts (see below for aged analysis) which are past due at the reporting date but against which the company has not recognised an allowance for doubtful receivables because there has not been a significant change in credit quality and the amounts are still considered recoverable. The company does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the company to the distributor. The average age of these receivables is as stated below:		
<u>Age of Trade receivables</u>		
	31/03/2021 N	31/03/2020 N
0-30 days	168,762,038	190,482,923
31-180 days	137,832,849	10,320,095
181-365 days	34,032,584	528,207
366 and above	3,371,261	3,371,261
Total	343,998,732	204,702,486
15 Other assets		
Prepaid rent	16,885,001	23,132,082
Staff Receivables	7,582,433	6,794,661
Advance to Suppliers	434,433,998	92,174,882
Prepaid Expenses	26,075,445	60,353,167
	484,976,877	182,454,792
Non- Current	-	-
Current	484,976,877	182,454,792
16 Cash and cash equivalents		
For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and deposit money held with banks with maturity of three months or less, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:		
Cash in hand	807,233	1,086,413
Cash at Bank	208,265,564	302,850,529
	209,072,797	303,936,942

The carrying amount of these assets is approximately equal to their fair value.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	31/03/2021 N	31/03/2020 N
17 Trade and other payables		
Trade payable - Foreign	825,134,276	180,704,190
Trade payable- Local	218,377,752	176,126,591
Other payables	316,696,056	345,988,538
Advance from Customers	9,405,432	13,336,151
	1,369,613,516	716,155,470
Non Current	-	-
Current	1,369,613,516	716,155,470
<p>Trade and other payables principally comprise amounts outstanding for trade purchases and accrued expenses. The average credit period taken for trade purchases is 30 days for local purchase and 90 days for overseas purchase. The company has financial risk management policies in place as well as efficient and effective treasury management policies which are guided by the management to ensure that all payables are paid within the pre-agreed credit terms.</p> <p>The directors consider that the carrying amount of trade and other payables approximates to their fair value.</p>		
18 Share capital		
Authorised Capital:		
250,000,000 Ordinary Shares of N1.00 each	250,000,000	250,000,000
1,750,000,000 Preference Shares of N1.00 each	1,750,000,000	1,750,000,000
	2,000,000,000	2,000,000,000
Called up and Paid up Capital		
241,397,414 Ordinary Shares of N1.00 each	241,397,414	241,397,414
1,478,903,000 Preference Shares of N1.00 each	1,478,903,000	1,478,903,000
	1,720,300,414	1,720,300,414
19 Retained Earnings		
At 1 April 2020	(79,414,980)	(20,839,891)
Transferred from Income Statement	192,814,761	(58,575,090)
At 31 March, 2021	113,399,781	(79,414,981)
Analysis of Revenue Reserve		
Pioneer Profit		
Balance Brought Forward	248,935,940	248,935,940
Retained Pioneer Profit (Section 17)	248,935,940	248,935,940
Non - Pioneer Profit		
Current Year Profit/(Loss)	192,814,761	(58,575,090)
Balance Brought Forward	(328,350,921)	(269,775,831)
Retained Profit Carried Forward	(135,536,160)	(328,350,921)
Operating Retained Profit/(Loss)	113,399,780	(79,414,981)

The Profit made during the pioneer years falls under section 17 Accounts of the Act which state that dividend distributed is not liable to withholding tax in the hand of the recipient.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	31/03/2021 N	31/03/2020 N
20 Retirement benefit plans		
20.1 Service cost		
Current year	<u>6,894,880</u>	<u>9,592,331</u>

The gratuity figure shown above is included in the employee benefits expense in the Profit or Loss Account for the current year.

20.2 Movement in the value of defined benefits were as follows

At 1 April	31,262,325	21,669,994
Current Year Provision	6,894,880	9,592,331
Benefits paid	<u>-</u>	<u>-</u>
At as period end	<u>38,157,205</u>	<u>31,262,325</u>

Retirement benefit plans

Defined contribution plans - Statutory

The company makes deductions in accordance with the Pension Reform Act of 2004. The employee and the employer contributed 8% and 10% respectively on basic, housing and transport allowances. The company's contribution to the pension scheme is charged to the statement of profit or loss account.

The only obligation of the company with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in the income statement of N6,894,880 (March 2020: 9,592,331) represents contributions payable to these plans by the company at rates specified in the rules of the plans.

The employee benefit liability disclosed in the financial statements is calculated based on the management valuation .

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

20.3 Defined benefit plans - Non Statutory

The company has a unfunded defined benefit plans for qualifying employees. Under the plan employees are entitled to post-retirement gratuity of a percentage of current salary on retirement depending on the number of years worked in the company. An employee is entitled to gratuity on completion of five (5) years service to the company.

The plan is exposed to the following risk

Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plans liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plans' liabilities.

The company made provision for the current year based on the annual salary of its employees in its service at the end of the year. This provision is based on management valuation.

	31/03/2021 N	31/03/2020 N
21 EMPLOYEE INFORMATION		
21.1 Employees		
The average number of employees:		
Management	3	6
Senior	4	4
Junior	21	25
	28	35
21.2 The staff whose average annual emoluments fell within the following range:		
	Number	Number
Above N3,500,000	3	6
N2,500,001 - N3,500,000	4	4
N1,500,001 - N2,500,000	5	15
N300,000 - N1,500,000	16	10
	28	35
	31/03/2021 N	31/03/2020 N
Wages, salaries, allowances and other benefits	158,888,836	220,270,868
	158,888,836	220,270,868

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	31/03/2021 N	31/03/2020 N
22 Cash generated from operations		
Reconciliation of profit after tax to net cash generated by operating activities:		
Profit/(Loss) for the year	205,965,901	(43,433,413)
Adjustments for:		
Depreciation of property, plant and equipment	95,139,213	109,523,855
Amortization of Intangible Assets	1,589,587	1,589,588
Asset Impairment	-	8,412,525
Profit on Disposal of PPE	(11,367,625)	(1,008,126)
Increase/(decrease) in employee benefit	6,894,880	9,592,331
Operating cash flows before movements in working capital	298,221,956	84,676,760
(Increase)/decrease in inventories	(642,446,980)	(83,821,899)
Decrease/(increase) in trade and other receivables	(139,296,246)	(40,492,506)
(Increase)/decrease in other assets	(302,522,085)	310,354,016
Increase/(decrease) in trade and other payables	653,458,046	(288,813,648)
	(132,585,309)	(18,097,277)

23 Dividend

No dividend was paid or proposed to be paid in the year in respect of ordinary shares held by the Company's shareholders.

24 Financial Instruments

24.1 Capital risk management

The company manages its capital to ensure that the company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation equity.

The capital structure of the company consists of equity attributable to equity holders of the company, comprising issued capital, reserves and retained earnings.

The company is not subject to any externally imposed capital requirements.

Equity includes all capital and reserves of the company that are managed as capital.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

24 Financial Instruments (continued)

24.2 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

24.3 Categories of financial instruments

	31/03/2021 N	31/03/2020 N
Financial assets		
Cash and receivables		
<i>Cash and bank balances</i>	209,072,797	303,936,942
<i>Trade receivables</i>	343,998,732	204,702,486
	<u>553,071,529</u>	<u>508,639,428</u>
Financial liabilities		
Financial liabilities at amortized cost		
<i>Trade and other payables</i>	1,369,613,516	716,155,470
	<u>1,369,613,516</u>	<u>716,155,470</u>

24.4 Financial Instruments (continued)

Financial risk management objectives

A financial risk management framework is in place, where appropriate, to mitigate any negative impact that financial risks that may arise will have on the company's reported results.

The Company's senior management oversees the management of risks to ensure that financial risks are identified, measured and managed in accordance with Company's policies for risk.

The company is exposed to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

The Directors reviews and agrees policies for managing each of these risks which are summarised below.

24.5 Market risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the company that are affected by market risk are principally the non-derivative financial instruments which include , trade and other receivables, cash and cash equivalents and trade and other payables).

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

24 Financial Instruments (continued)

24.5.1 Foreign currency risk management

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	31/03/2021		31/03/2020	
	N	USD	N	USD
Liabilities	825,134,276	2,092,391	180,704,190	899,233
	<u>825,134,276</u>	<u>2,092,391</u>	<u>180,704,190</u>	<u>899,233</u>

Foreign currency sensitivity analysis

The Company is mainly exposed to the US Dollar .

The following table details the Company's sensitivity to a 10% increase and decrease in the Naira against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Naira strengthens 10% against the relevant currency. For a 10% weakening of the Naira against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	10% decrease (Appreciation)		10% increase (Devaluation)	
	31/03/2021		31/03/2021	
	N	USD	N	USD
Profit or loss	(82,513,428) (i)	(209,239)	82,513,428 (ii)	209,239

This is mainly attributable to the exposure outstanding on USD receivables and payables in the Company records at the end of the reporting period.

	10% decrease (Appreciation)		10% increase (Devaluation)	
	31/03/2020		31/03/2020	
	N	USD	N	USD
Profit or loss	(18,070,419) (i)	(89,923)	18,070,419 (ii)	89,923

This is mainly attributable to the exposure outstanding on USD receivables and payables in the Company records at the end of the reporting period.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

24 Financial Instruments (continued)

24.6 Credit risk management

Credit risk refers to the risk that a distributor will default on its contractual obligations resulting in financial loss to the company.

The Senior management of the sales department monitors and controls the credit activities of the company. The trade receivables consist of a large number of customers spread across the country. The company has a credit policy in place and ensures that distributors do not at any time receive items above the stipulated credit policy.

There are no credit guarantee or insurance on credit sales to distributors

The carrying amount of financial assets represents the company's maximum exposure, which at the reporting date, was as follows:

	31/03/2021	31/03/2020
	N	N
Cash and cash equivalents	209,072,797	303,936,942
Trade and other receivables	343,998,732	204,702,486
	553,071,529	508,639,428

24.7 Liquidity risk management

Liquidity risk is the risk that the company is unable to meet its current and future cash flow obligations as and when they fall due, or can only do so at excessive cost. This includes the risk that the company is unable to meet settlement obligations as they fall due.

It is the responsibility of the Finance controller to ensure that the company remains liquid in order to meet its financial obligation. The Finance controller monitors the operating working capital such as trade debtors and their aging, liquidity ratio and the free cashflows.

To mitigate this risk, back-up liquidity facilities are in place which consist of bank overdrafts, Inventory finance, in addition to the company's own liquid assets.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

24 Financial Instruments (continued)

24.7.1 Maturity risk

The following tables show the company's contractual maturities of financial liabilities:

	31/03/2021		
	Carrying amount N	Less than one year N	More than one year N
Financial liabilities at amortised cost			
Trade and other payables	1,369,613,516	1,369,613,516	-
	1,369,613,516	1,369,613,516	-

	31/03/2020		
	Carrying amount N	Less than one year N	More than one year N
Financial liabilities at amortised cost			
Trade and other payables	716,155,470	716,155,470	-
	716,155,470	716,155,470	-

24.8 Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values.

25 Capital Commitments

There were no capital commitments entered into by the Company as at 31st March, 2021 (March 2020 : Nil).

26 Contingent liabilities and contingent assets

Government Tax Demand Tax Demand

20,379,802	20,379,802
------------	------------

The company has Government tax demand for Withholding tax and Vat arising from tax audit of 2014 to 2016 Assessment year which was concluded in July 2019. The tax demand is due to Federal Inland Revenue service.

27 Events after the reporting period

During the year ended 31st March 2021 we have assisted to the advent of the COVID-19 virus by adhering strictly to the various measures and protocols taken by Nigerian Government and countries across the world to curtail the spread of the virus. The attendant effects of the pandemic have its toll on many economies leading to drastic reduction in the economic activities across the world. This is a non-adjusting event occurring after the reporting date that does not provide evidence of conditions that existed at the end of the reporting period.

28 Approval of financial statements

The financial statements were approved by the board of Directors and authorised for issue on the 28th May, 2021.

AFRICAN CONSUMER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

	31/03/2021		31/03/2020	
	N		N	
29 Value added statement				
Revenue	2,783,739,154	%	2,685,595,925	%
Other income/(Charges)	76,451,004		(6,342,722)	
	<u>2,860,190,158</u>	-	<u>2,679,253,203</u>	-
Bought in Materials and Services				
Local	(717,527,401)		(715,343,810)	
Imported	<u>(1,682,668,807)</u>		<u>(1,677,548,083)</u>	
	<u>459,993,950</u>	100	<u>286,361,310</u>	100
Applied as follows:				
To pay Employees				
Salaries and wages	158,888,836	35	220,270,868	77
To pay Government				
Current taxation	13,151,140	3	15,141,677	5
Deferred taxation	-	-	-	-
To be retained in the business for expansion				
Depreciation	95,139,213	21	109,523,855	38
Retained Profit/(Loss) for the period	<u>192,814,761</u>	42	<u>(58,575,090)</u>	(20)
	<u>459,993,950</u>	100	<u>286,361,310</u>	100

Value Added Income represents the additional wealth the Company has been able to create by its own and its employees efforts. This statement shows the allocation of that wealth between employees, capital providers, government and that retained in the business for further creation of wealth.

AFRICAN CONSUMER CARE LIMITED

30 FIVE YEARS FINANCIAL SUMMARY STATEMENT OF FINANCIAL POSITION

	AS REPORTED		AS REPORTED UNDER IFRS		
	31/03/2021	31/03/2020	31/03/2019	31/03/2018	31/03/2017
	N	N	N	N	N
Assets					
Non Current Asset					
Property plant and equipment	806,442,859	943,077,288	1,031,952,389	1,112,537,546	1,059,564,704
Intangible Assets	5,187,075	6,776,662	-	-	-
Total non current assets	811,629,934	949,853,950	1,031,952,389	1,112,537,546	1,059,564,704
Current Assets					
Inventories	1,404,943,716	762,496,736	678,674,837	867,407,225	563,849,416
Trade and other receivables	343,998,732	204,702,486	164,209,980	169,452,361	117,418,591
Other assets	484,976,877	182,454,792	492,808,808	638,992,537	369,518,520
Cash and bank balances	209,072,797	303,936,942	359,836,822	90,086,132	331,848,245
Total current assets	2,442,992,122	1,453,590,956	1,695,530,447	1,765,938,255	1,382,634,772
Total assets	3,254,622,056	2,403,444,906	2,727,482,836	2,878,475,801	2,442,199,476
Liabilities and reserves					
Equity and reserves:					
Share capital	1,720,300,414	1,720,300,414	1,720,300,414	1,629,007,414	1,491,397,414
Retained earnings	113,399,781	(79,414,981)	(20,839,891)	27,800,546	(35,286,750)
Total equity	1,833,700,195	1,640,885,433	1,699,460,523	1,656,807,960	1,456,110,664
Non current liabilities					
Employees' benefit liabilities	38,157,205	31,262,325	21,669,994	19,947,142	16,292,796
Total non current liabilities	38,157,205	31,262,325	21,669,994	19,947,142	16,292,796
Current liabilities					
Trade and other payables	1,369,613,516	716,155,470	1,004,969,118	1,197,781,317	969,796,016
Borrowings	-	-	-	-	-
Taxation payable	13,151,140	15,141,678	1,383,201	3,939,382	-
Total current liabilities	1,382,764,656	731,297,148	1,006,352,319	1,201,720,699	969,796,016
Total equity and liabilities	3,254,622,056	2,403,444,906	2,727,482,836	2,878,475,801	2,442,199,476

STATEMENT OF PROFIT OR LOSS

	31/03/2021	31/03/2020	31/03/2019	31/03/2018	31/03/2017
Revenue	2,783,739,154	2,685,595,925	1,997,469,643	2,345,880,572	1,630,496,320
Cost of sales	1,865,577,546	1,808,594,862	1,260,337,850	1,563,684,939	1,209,896,763
Gross Profit	918,161,608	877,001,063	737,131,793	782,195,633	420,599,557
Other Income/(Charges)	76,451,004	(6,342,722)	(6,381,759)	73,293,870	24,159,323
Operating expenses	(788,646,711)	(914,091,754)	(778,007,270)	(780,962,825)	(686,517,420)
Profit/(Loss) for the year	205,965,901	(43,433,413)	(47,257,236)	74,526,678	(241,758,540)