



...enduring beauty and protection

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CORPORATE POLICY STATEMENTS

Our Vision

To be the best solutions provider in the paints and coatings industry.

Our Mission

Consistently improve on our processes and products to deliver optimal satisfaction to our customers.

Our Shared Values

- Professionalism
- Integrity,
- Customer Focus,
- Teamwork.

DIRECTORS AND PROFESSIONAL ADVISERS, ETC.



Board of Directors

Dr. Oladimeji Alo – Chairman
Mr. Abi Ayida – Non-Executive Director
Chief Musa Danjuma – Non-Executive Director
Mr. Nelson Nweke – Independent, Non-Executive Director
Mr. Oluwole Abegunde – Non-Executive Director
Mr. Raj Mangtani (Indian) – Non-Executive Director
Mr. Adekunle Olowokande – Non-Executive Director
Engr. Patrick Buruche – Non-Executive Director
Mr. Sanjay Datwani (British) – Non-Executive Director
Mr. Peter Folikwe – Managing Director

Company Secretary/ Legal Advisor Oluseun Oluwole FCIS

Registered/Head Office 102, Oba Akran Avenue, Ikeja, P.M.B. 21052, Ikeja, Lagos,

Contact Details Telephone: +234 - 09062496104, 09062496106, 08102164585-6
and 0700bergerpaints(0700 237437724687)
Email: customercare@bergerpaintnig.com

Social Media Accounts

Website: www.bergerpaintsnig.com
Facebook: Bergerpaintsnig
Twitter: Bergerpaintsnig
Instagram: Bergerpaintsnig

NSE Trading Information

Trading Name:	Berger Paints Plc. (Berger)
Ticker Symbol:	Berger
Sector:	Industrial Goods
Sub Sector:	Building Materials
Market Classification:	Main Board

Registration Numbers

CAC RC: 1837
FRC: FRC/2012/000000000295

Registrars:

Meristem Registrars and Probate Services Limited
213, Herbert Macaulay Way, Adekunle, Yaba, Lagos State.
P.O. Box 51585, Falomo, Ikoyi, Lagos State
Phone: 01-2809250-4 Email: info@meristemregistrars.com
Website: www.meristemregistrars.com

External Auditors:

KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street, Victoria Island, Lagos
Tel: +234 (01) 269 4660-4
<https://home.kpmg.com/ng/en/home.html>

Major Bankers:

Skye Bank Plc.	FCMB Plc.
Diamond Bank Plc.	United Bank For Africa Plc.
Guaranty Trust Bank Plc.	Heritage Bank Ltd
First Bank Of Nigeria Plc.	Ecobank Plc.
Access Bank Plc.	Fidelity Bank Plc.
Zenith Bank Plc.	Keystone Bank Plc.

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Make the most of your colour with the very best paint that gives you exceptional coverage, rich colour coating and results that last.

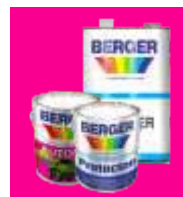
Be the perfect shade in your neighborhood.



OUR RANGE OF PRODUCTS INCLUDE

■ DECORATIVE ■ MARINE ■ AUTOMOTIVE ■ INDUSTRIAL ■ WOOD

Available in all our outlets nationwide



...enduring beauty and protection

102, Oba Akran Avenue, Ikeja Industrial Estate, Lagos.

Institutional Sales & Projects: 08102164562, 08102164813, 08102164825

Customer Care: 0700BERGERPAINTS (0700237437724687)

Email: customercare@bergerpaintsnig.com **Website:** www.bergerpaintsnig.com



@Bergerpaintsnig

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31ST DECEMBER, 2017



	2017	2016	%
Revenue	3,092,445	2,602,824	19
Gross profit	1,273,077	1,111,631	15
Operating profit	339,524	278,317	22
Profit before tax	339,456	271,770	25
Profit for the year	246,276	224,007	10
Share capital	144,912	144,912	-
Total equity	2,641,145	2,604,181	1
Data per 50k share			
Basic earnings per share (kobo)	85	77	10
Declared dividend*	50	75	(33)
Net assets per share (kobo)	9	9	-
Dividend per 50k share in respect of current year results only			
Dividend proposed (kobo)**	-	50	-
Stock Exchange Quotation			
31 December (Naira per share)	8	6	41
Market capitalisation at 31 December (N'millions)	2,855	1,855	54

*Declared dividend represents the dividend proposed for the preceding year but declared during the current year.

**The directors propose a dividend of 50 kobo per share on the issued share capital of 289,823,447 ordinary shares of 50k each, subject to the approval by the shareholders at the Annual General Meeting.



CORPORATE PROFILE

Berger Paints Nigeria Plc, was established on 9th January, 1959 and has become a leader in the Coating and Allied industry in Nigeria. For several decades, the organization has been providing quality paints and allied coatings that meet the needs of various sectors of the economy.

With its corporate headquarters and manufacturing plant located in Lagos, Nigeria, Berger Paints Nigeria Plc. has several Berger Colour World outlets or Colour shops spread across the federation leveraging the channel distribution model. The company is committed to excellent quality product development with a state of the art research and development unit, ensuring the Berger Paints product is technologically correct, environmentally friendly and formulated to withstand harsh tropical conditions.

The Company has a reputation for being the first in setting standards in the paint industry in Nigeria. Its scorecard includes the following:

- First paints manufacturer to be established in Nigeria.
- First paints Company to be quoted on the Nigerian Stock Exchange.
- First paints researcher to introduce textured coating named Texcote to the Nigeria market.
- First to develop, manufacture and supply coil-coating paint to aluminum factories in Nigeria.
- First paints manufacturer to win NIS Award from SON for premium and market quality decorative products.
- First paints Company to win the Nigerian Stock Exchange Merit Award.
- First to develop and supply Thermo Setting Acrylic paints to local industries.
- First to win the National Merit award for local raw materials utilization in the paints industry.
- First to develop tropicalised and environment friendly paint products to the Nigerian market.
- First to introduce full process tamper-proof colour paint containers to the Nigerian market.

Berger Paints Nigeria Plc (BPN) is known for pioneering new products and setting the pace in the paints and allied coating sector. One of such specialty products is Berger Fire Retardant Texcote, a textured finish which has been very successful in capturing the imagination of many consumers. Berger Fire Retardant Texcote has now been adopted as the generic term for textured paint in Nigeria. Berger Rufhide, a wall putty with superior adhesive strength and capability over conventional P.O.P and other screeding materials, is the first of its kind in the Nigerian market. Our other well-known brands such as Luxol (Clinstay), Super Star and Classic continue to have their loyal clientele and enjoy extreme popularity across Nigeria today.

Every Berger Colour World is a colour specialty outlet equipped with ultra-modern colour tinting machines, colour development software and skilled technical personnel with the capability to produce thousands of colours in sizeable quantities. They also have ample supply of BPN products for immediate purchase or supply. The Berger Colour Shop managed by our dealers, super or mega dealers, ensures the provision of excellent quality products for which the Berger brand is known for to every consumer and reaching the nooks and crannies of the federation. They provide technical evaluation and professional consultation services to corporate and private clientele.

Berger Paints also provides Supply and Apply Services for public and private organisations, some of our reference projects include the following - Elizade University, Lekki Gardens, Haven's Home, Keystone Bank, Nhosaf Nigeria Limited, Vitafoam Plc and GloWorld Project amongst others.



Berger Paints Nigeria Plc., with the corporate signature, "enduring Beauty and Protection," has always placed innovation, integrity, quality of products & services and the provision of a vast product range at the top of its priorities, which has made it a one-stop solution for all painting needs.

Our Products

Berger Paints Nigeria Plc. is the only paint manufacturing Company in Nigeria operating in the five key segments:

- Decorative/Architectural Finishes;
- Marine & Protective Coatings including KCC Heavy Duty Coating;
- Automotive/Vehicle Refinishes;
- Industrial Coatings; and
- Wood Finishes and Preservers.

Decorative Paints

The decorative range covers the architectural and building maintenance coatings of high and medium quality, which are used by leading contractors as well as craftsmen. The brands are household names in the Nigerian paints market – Texcote, Luxol and Super Star – which are available in unlimited range of colours, possessing both beauty and protective abilities against all the elements of the weather. Clinstay is a unique brand of washable water based emulsion paint, suitable for the internal part of the home and high traffic areas susceptible to dirt which can be washed with foam, mild soap and water. Rufhide is a specially formulated paint that covers cracks and wall imperfections.

Industrial Coatings

These are protective paints used as coatings for virtually all categories of manufacturing equipment and machines. The paints protect the items from rusting and make them resistant to scratching. The coatings are available to suit most forms of application technologies ranging from brushing, conventional spraying, dipping, curtain coating, roller coating, can and coil coatings, tumbling and electro-static method. The product range includes stoving enamels, curtain coatings, and quick drying enamels amongst others.

Marine and Protection

The Berger Paints range of protective coatings has over 30 years, successfully met the comprehensive and specialized anti-corrosive demands of the structures and equipment of the marine industry in Nigeria. The marine paints/heavy duty coatings, bituminous coatings, a wide range of primers and protective systems for steelworks, marine primers, bottom compositions including anti-fouling and coatings for boot topping and topsides. Major petroleum oil drilling companies and main ship maintenance companies in Nigeria use BPN products.

Automotive/Vehicle Refinishes

The Company is also expanding the frontier of vehicle refinishes range of paints. The top quality automotive range of products includes topcoats for the vehicle assembly plants as well as car refinishes with the brand name Autolux. It is compatible with all makes of vehicles. Autolux is available as a single pack or two-pack in a wide range of colours giving high gloss and build together with excellent hardness and durability. Autolux is the ideal all-purpose refinishes enamel, which can be air dried or low, baked. The Company also supplies 2 Pack auto-refinishes products to major industries in Nigeria.



The Autolux range includes the solid and metallic paints, primers, varnish, and NC putty. The Autobase range includes the base and acryl, primers and fillers, clear and hardeners, slow and hard thinners in addition to other accessories.

Wood Preservers and Finishes

These are Bergernol wood preservatives and Lignolac wood finishes respectively. Bergernol is noted for high quality performance in wood preservation, while Lignolac is available to a wide variety of wood industries, from the roadside carpenters to corporate organizations, from simple to top of the line furniture and doors. This range incorporates sanding sealer, lacquer gloss, satin and matt, as well as wood stains. These brands are market leaders and they are known and popular in the trade and among the various customer groups.

A Future Assured

Berger Paints will continue to pay special attention to the acquisition of technologically advanced production machines and embark on human capital development in order to cope with the changing and sophisticated taste of customers.

- Berger Colour World: As a means of moving closer to the door steps of our consumers to deliver excellent customers services, Berger Colour world is opened in strategic locations across the country. Berger Colour world offers endless colour possibilities where customers can dream their choice of colours and have them produced instantly.
- Technical Collaborations: Along the line of technical update and innovation drive, Berger Paints Nigeria Plc. continues to collaborate with experienced technical partners and world leaders in paint and coatings solutions.
- Environmental friendly products: Berger Paints continues to embark on research and development activities that would facilitate introduction of environment friendly products which help in preserving the earth.

Quality Assurance

As a confirmation of our oath to clients; that we will exchange value and service for every Naira they part with, all Berger Paints containers come with tamper-proof hologram cover. Customers are strongly advised to watch out for this as a sign of our quality assurance. This led to the actualization of the SON NIS 2000:1500 quality certification.

Marketing and Distribution

The Company's marketing approach is guided by the principle that no matter how good or innovative its products are, they require capable people to professionally present them in a way that is devotedly customer-focused. This principle has successfully guided the Company in hiring, training and developing its sales force to meet set objectives. Since most of the products are customer specific, the Company keeps upgrading its production machinery, research and development and uses top quality raw materials. We distribute our products through a nationwide network of almost 50 outlets and appointed agents (mini outlets) spread across the country.



BOARD OF DIRECTORS

- 1. MR. NELSON NWEKE | 2. ENGR. PATRICK N. BURUCHE | 3. CHIEF MUSA DANJUMA | 4. MR. OLUWOLE O. ABEGUNDE | 5. MR. SANJAY DATWANI (BRITISH)
Non-Executive Director | Non-Executive Director | Non-Executive Director | Non-Executive Director | Non-Executive Director
- 6. MR. ADEKUNLE OLOWOKANDE | 7. MR. RAJ S. MANGTANI (INDIAN) | 8. DR. OLADIMEJI ALO | 9. MR. PETER FOLIKWE | 10. MR. ABI ALLISON AYIDA
Non-Executive Director | Non-Executive Director | Chairman | Managing Director | Non-Executive Director



DIRECTORS' PROFILE



DR. OLADIMEJI ALO

CHAIRMAN

Dr. Alo holds a PhD degree in Industrial Sociology from the University of Ife (now Obafemi Awolowo University, Ile-Ife). He is a scholar, a management consultant and a corporate governance enthusiast.

His career in academics saw him serve as a lecturer/visiting lecturer at the University of Ile-Ife, Nigeria, University of Benin, Benin City and the University of California, Los Angeles, USA. He started his consulting career with Price Waterhouse Associates in 1985, from where he moved to Coopers & Lybrand Associates in 1987. He rose through the ranks at Coopers & Lybrand to become an Executive Director in 1990.

Dr. Alo became the Managing Director/Chief Executive Officer of Financial Institutions Training Centre, a leading training and consulting firm owned by all Nigerian banks, under the leadership of the Central Bank of Nigeria, in 1996. He served in that position for over thirteen years.

He is a Fellow of the Chartered Institute of Personnel Management of Nigeria (CIPMN), the Nigerian Institute of Chartered Arbitrators (NClarB), and the Chartered Institute of Bankers of Nigeria (CIBN). He is an Independent Non-Executive Director of ARM Life Plc., an Independent Non-Executive Director of Development Bank of Nigeria, and the Managing Director of Excel Professional Services Ltd, a management consulting firm.

He joined the Board on 11th December, 2012 and was appointed as Chairman of the Board on 17th July, 2014.



CHIEF MUSA DANJUMA

NON-EXECUTIVE DIRECTOR

Chief Danjuma is an articulate lawyer and a corporate icon with great wealth of experience in business management and administration. Chief Danjuma holds a Bachelor's degree in Law from Ahmadu Bello University, Zaria and Nigeria Law School, Lagos.

He is currently the Executive Chairman, NAL/COMET Shipping Group which includes Five Star Logistics Limited, Comet Shipping Agencies Nigeria Limited, Best Trade Nigeria Limited, Nigeria America Line Limited and a pioneer of the Chief Executive Programme at Lagos Business School.

He was appointed as a Non-Executive Director on 14th September 2000.

DIRECTORS' PROFILE (CONT'D)



MR. AYIDA
NON-EXECUTIVE DIRECTOR

Mr. Ayida holds a Bachelor Degree in Economics from University of Minnesota, USA and a Masters' Degree in Economics from Pennsylvania State University, USA. He has extensive experience in the banking, insurance, retail and manufacturing industries in the UK, USA and Nigeria. He is currently the Managing Partner for Vail Woodward Associates, a firm of international business development consultants.

He was appointed as a Non-Executive Director on 14th December 1999.



MR. NELSON NWEKE
NON-EXECUTIVE DIRECTOR

Mr. Nweke holds a bachelor's degree in Political Science (1979) and a Masters' degree in Industrial Relations (1983) from the University of Ibadan. He made a career in banking, having worked in First City Monument Bank and Intercontinental Bank Plc. (now Access Bank Plc) where he retired as an Executive Director in February 2008.

He is a non-Executive Director of Premium Pensions Ltd and a Board Member of Anambra State Investment Promotion and Protection Agency. He is currently the Managing Director of Neilville Nigeria Limited. Mr. Nweke is an Honorary Member of Chartered Institute of Bankers of Nigeria (CIBN) and an Associate of Chartered Institute of Stock Brokers of Nigeria.

He was appointed as a Non-Executive/Independent Director of Berger Paints Nigeria Plc. on 11th December, 2012.



MR. OLUWOLE O. ABEGUNDE
NON-EXECUTIVE DIRECTOR

Mr. Abegunde holds a Bachelor's degree in Agricultural Economics from University of Ibadan and an MBA from University of Ilorin. He is a distinguished and respected authority in stock broking. He is a fellow of the Chartered Institute of Stockbrokers and an authorized dealing clerk of the Nigeria Stock Exchange.

Mr. Abegunde is currently the Group Managing Director/Chief Executive Officer of Meristem Registrars and Probate Services Limited. He is the Chairman of e-Tranzact International Plc. and a Non-Executive Director of Integrated Dairies Limited and Eterna Plc. He is also the Pro-Chancellor and Chairman-of-Council of Bowen University and a Council Member of Elizade University.

He was appointed as a Non-Executive Director on 20th March, 2014.



DIRECTORS' PROFILE (CONT'D)



MR. RAJ S. MANGTANI (INDIAN)
NON-EXECUTIVE DIRECTOR

Mr. Mangtani is an astute businessman and holds a Bachelor's degree in Commerce from University of Bombay. He is a member of the Nigeria Institute of Management and Indian Professionals' Association of Nigeria.

Mr. Mangtani is the Managing Director of Emychem Limited, a leading chemical marketing company. He also serves on the boards of such notable manufacturing companies as Metcem Limited and Zaika Foods Ingredient Limited as a non-executive director.

He joined the Board as a Non-Executive Director on 10th September, 2002 as an alternate director, and was appointed as a full Non-Executive Director on 16th October, 2014.



MR. ADEKUNLE OLOWOKANDE
NON-EXECUTIVE DIRECTOR

Mr. Olowokande is a Chartered Accountant. He holds an MA in International Finance from London Metropolitan University. He had served as Management Accountant to leading professional services firms in the United Kingdom and for a couple of years he functioned as the Head, Strategy and Risk Management for Berger Paints Nigeria Plc.

He was appointed as a Non-Executive Director on 16th October, 2014.



ENGR. PATRICK N. BURUCHE
NON-EXECUTIVE DIRECTOR

Engr. Buruche is a graduate of Civil Engineering from Nnamdi Azikiwe University, Awka. He served in various capacities with Anambra State Water Corporation. He is a corporate member of the Nigeria Society of Engineers (MNSE), a member of the Nigerian Institution of Civil Engineers (MNICE) and a registered engineer with the Council for the Regulation of Engineering in Nigeria (COREN). Engr. Buruche is currently the Managing Director of PANGOC Global Services Limited, a design/construction company which has successfully executed many projects.

He was appointed as a Non-Executive Director on 16th October, 2014.



MR. SANJAY DATWANI (BRITISH)
NON-EXECUTIVE DIRECTOR

Mr. Datwani graduated from Boston University, Massachusetts, USA with a Bachelor's degree in Business Administration. He has over 18 years' experience in International Trade, Finance and Banking. He is the Managing Director of Clayton Finance Limited, a company which specialises in export of raw materials for industry to the West African region. He also works as a property consultant and developer in the United Kingdom.

Mr. Datwani was appointed as a Non-Executive Director on 11th December, 2014.



MR. PETER FOLIKWE
MANAGING DIRECTOR

Mr. Folikwe holds a Bachelor of Science (Hons) degree in marketing from the University of Nigeria, Nsukka, and Masters in Business Administration (MBA) from the University of Benin, Edo State.

He has garnered 26 years of experience in Marketing, Sales/Distribution and General Management; having worked with top rated companies including UAC Foods Plc., Vitafoam Nigeria Plc. and MTN Nigeria Communications Limited. He was instrumental to the set-up of Vitafoam Ghana and Vitafoam Sierra Leone, and served as Sales & Marketing Director Vitafoam Nigeria Plc, Chairman of Vitablom Nigeria Limited and as Non-Executive Director of Vono Products Plc. He is on the Board of Propertygate Nigeria Plc in Non-Executive capacity.

Mr. Folikwe is a Fellow of the National Institute of Marketing of Nigeria, Fellow of the Institute of Direct Marketing of Nigeria, Alumnus of Lagos Business School and Alumnus of Cranfield University Bedford, UK.

He was appointed as the Managing Director/CEO on March 10 2015.

Dr. Oladimeji Alo
CHAIRMAN



CHAIRMAN'S STATEMENT



Distinguished shareholders, fellow directors, gentlemen of the press, ladies and gentlemen.

It is with great pleasure that I welcome you all to the 58th Annual General Meeting (AGM) of our great Company, Berger Paints Nigeria Plc., holding today, the 7th day of June 2018, at NECA House, Ikeja, Lagos.

In presenting a report of our activities and performance in 2017, it is important that I highlight some major developments that defined the environment within which we operated that year. I shall also refer to some important developments of interest to the Company.

The General Business Environment

The Nigerian economy witnessed a gradual recovery from economic recession. With an annual growth rate of 0.8%, the economy transited out of negative growth and resumed what we all hope would be a path to medium to long-term sustained growth. The Naira exchange rate was relatively stable. Interest rate hovered at 14%, while inflation rate declined, contributing immensely to the pathway to recovery. The availability of foreign exchange considerably eased the pressure of raw material availability for manufacturers. Energy costs were relatively reasonable, as public power supply improved considerably.

The operations of Berger Paints Nigeria Plc. responded favorably to the macro-economic environment, as the performance of the company in 2017 was better than that of 2016.

The Nigerian Manufacturing Sector

As a sign of the positive economic outlook, the real sector recorded a growth for nine uninterrupted months, April to December 2017, according to the Purchasing Managers' Index (PMI) published by the Central Bank of Nigeria. The PMI is used to measure the health of the manufacturing sector. It is based on five major indicators; new orders, inventory levels, production, supplier deliveries, and the employment environment.

Economic analysts attributed the growth in the manufacturing and non-manufacturing sectors of the economy in the last nine months to the bold initiative of the Federal Government to tackle the challenges of the exchange rate of the Naira against the dollar. There was also the commendable effort to tackle the shortfall in production of crude oil occasioned by security challenges in the Niger Delta.

In our subsector, marginal growth was experienced in decorative paints, as it remained the dominant segment of the Nigerian paint and coating market. The market, however, consists of both local and foreign brands; with increasing influx of foreign brands in recent years. We expect that the launch of high quality products that meet international standards, from our new facility nearing completion, would provide us with the needed edge in the competitive landscape.

Our Performance

In 2017 net revenue figures achieved was N3.092 billion and profit before tax was N339.5 million. In comparative terms, the revenue and profit performances were 19% and 25% above the performance recorded in the same period in 2016 respectively.



CHAIRMAN'S STATEMENT (CONT'D)

The outcome of our aggressive push at reaching out to the market led to an increase in the number of Outsourced Business Partners (OBP) to 32 from 23 in 2016. Similarly, OBP's outlets grew from 32 in 2016 to 45 in 2017. We also deployed some of our newpoint-of-sale tinting machines in the second quarter of 2018.

Our digital presence on all social media platforms was on the increase. The Company gained online visibility, top-of-mind awareness and recorded significant sales on those platforms.

Major Initiatives in 2017

We implemented the following major initiatives in 2017:

1. Upgrade of our Enterprise Resource Package: A new Microsoft Navision Enterprise Management system was successfully implemented. That system replaced the old Sage software that had major limitations. That investment in technology was meant to enhance accuracy and speed of data management, improve operational efficiency and ultimately provide better customer service. We had begun to realize some of these expectations in 2017.
2. New Factory Modernization Project: We are at the verge of commissioning the first automated paint manufacturing plant in Sub-Sahara Africa. The project is at 95% completion and would be commissioned this year, by the grace of God. When operational, the new plant would reduce our production costs, reduce response time, and improve our product quality. In combination with the POS machines that we recently deployed, the new plant would enable us better meet the specialized needs of our discerning customers.
3. Product Quality Improvement: We continued to invest in research and development; up-grading our product quality. We also worked to boost the capacity of our team through training and development of manpower across the entire company.

Update on Board Matters

The composition of our Board remained unchanged in 2017, with all the members contributing their best efforts in providing leadership and sound corporate governance for the company. One issue that had come up for mention at previous AGMs was the size of the Board. The Code of Corporate Governance for Public Companies, had prescribed the guidelines for the composition and structure of Boards. The Board had considered this issue extensively in the light of the provisions of the Code; the Board had also reviewed the composition of its standing Committees in line with corporate governance best practices. As a result of the review, the Committees were reconstituted, as detailed in the Directors' Report.

Dividend

To reward our shareholders for their investment and their commitment to the company, the board is recommending, for your kind approval, the payment of the sum of N144, 912,000 (one hundred and forty four million, nine hundred and twelve thousand naira only) as dividend for 2017. This works out at the rate of fifty kobo per share.



If the shareholders approve that recommendation, the dividend will be paid less withholding tax, to shareholders whose names appear in our Company's Register of Members as at the close of business on May 4 2018.

I would like to use this opportunity to encourage shareholders to register for e-dividends, if they have not already done so. E-dividends would provide direct access to dividends, whilst helping to increase the speed of payment and reduce the issue of unclaimed dividends. In that regard, it is pertinent to note that the Securities and Exchange Commission had directed all capital market registrars to stop the issuance of dividend warrants after July 31 2017. An e-dividend form is included in the Annual Report & Accounts for your use.

Closing

In conclusion, I would like to thank you, our distinguished shareholders, for your unwavering support through the years. I also thank all our stakeholders (outsourced business partners, customers, suppliers, professional advisers among others) for contributing to the success story of our Company.

Finally, I thank my fellow directors for their continued commitment to the success of our Company. Special appreciation must go to the management team and all our committed employees for their hard work and untiring dedication in ensuring that our Company continues to be profitable and successful.

God bless Berger Paints Nigeria Plc. and God bless the Federal Republic of Nigeria.

I thank you all for your kind attention.

A handwritten signature in black ink, appearing to read 'Oladimeji Alo'.

Oladimeji Alo, PhD.
Chairman, Board of Directors

TAKE HOLD, BE IN CHARGE.

Make your space beautiful

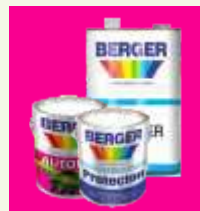


Choose wisely!

OUR RANGE OF PRODUCTS INCLUDE

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Institutional Sales & Projects: 08102164562, 08102164813, 08102164825

Customer Care: 0700BERGERPAINTS (0700237437724687)

Email: customercare@bergerpaintnig.com **Website:** www.bergerpaintsnig.com



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NOTICE OF ANNUAL GENERAL MEETING



Notice is hereby given that the Fifty-Eighth Annual General Meeting of Berger Paints Nigeria Plc. will be held at NECA Hall, Plot A2 Hakeem Balogun Street, Alausa, Ikeja, Lagos on Thursday June 7, 2018 at 11:00 a.m. to transact the following business:

Ordinary Business

1. To lay before the meeting the Audited Financial Statements for the year ended 31stDecember, 2017, the reports of the Directors, the Auditors and the Audit Committee thereon.
2. To declare a dividend.
3. To re-elect Directors.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To elect shareholders' representatives to the Audit Committee.

Special Business

6. To approve the remuneration of the Directors.
7. To consider and if thought fit, approve the following ordinary resolution: That the general mandate given to the Company to enter into recurrent transactions with related parties for the Company's day-to-day operations, including amongst others the procurement of goods and services, on normal commercial terms be and is hereby renewed.

Notes

(I) Proxies

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy on his or her behalf. A proxy need not also be a member of the Company. A form of proxy is attached to the Annual Report and Accounts and if it is to be valid for the purpose of the meeting, it must be completed stamped, signed and deposited with the registrars, Meristem Registrars and Probate Services Limited at 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos State at least 48 hours before the time of the meeting.

(II) Closure of Register of Members and Transfer Books

The Register of Members and Transfer Books of the Company will be closed from May 7 2018 to May 11 2018 (both days inclusive) for the purpose of preparing an up-to-date register.

(III) Dividend

The Board of Directors of the Company has recommended a dividend of 50kobo per share, which is payable less the appropriate with holding tax. If the recommendation is approved at the forthcoming Annual General Meeting, the dividend will be transferred by June 8, 2018 to shareholders whose names appear in the



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Company's Register of Members as at close of business on May 4, 2018.

IV) Unclaimed Share Certificates and Dividend Warrants

All shareholders are hereby informed that the registrars of the Company are holding share certificates and dividend warrants which have been returned as "unclaimed". Some dividend warrants sent to shareholders' registered addresses or their bankers are yet to be presented for payment or returned to the Registrars of the Company for revalidation.

(V) Accounts

Notice is hereby given to all shareholders to open bank accounts and CSCS accounts for the faster receipt of dividends and in accordance with the directive from the Securities and Exchange Commission. Details of such accounts should be sent to the Registrars of the Company. A detachable e-dividend/CSCS form is attached to the Annual Report and Accounts.

(VI) Nominations to the Audit Committee

In accordance with Section 359 (5) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004, any member may nominate a shareholder as a member of the Audit Committee, by giving notice in writing, of such nomination to reach the Company Secretary at least 21 days before the Annual General Meeting.

(VII) General Mandate

In line with the Nigerian Stock Exchange Rules on Transactions with Related Parties, the Company is required to seek a renewal of the general mandate from shareholders as per item 7 of the agenda above. Members had unanimously given a general mandate to the Company at the last Annual General Meeting to enable it enter into related party transactions for the Company's day-to-day operations.

(VIII) Rights of Securities Holders

The NSE Rule book reserves the right of shareholders and other holders of the Company's securities to ask questions both at, and prior to the AGM. They may submit their written questions arising from the Annual Report and Accounts to the Company Secretary, at least one week before the AGM and forward copies to the regulators.

Dated March 29, 2018

By Order of the Board

OLUSEUN OLUWOLE, FCIS

Company Secretary/Legal Adviser

FRC/2013/NBA/0000000856

102 Oba Akran Avenue

Ikeja, Lagos State.



REPORT OF THE DIRECTORS

For the year ended December 31, 2017



The Directors are pleased to present to the distinguished members this Annual Report, together with the Audited Financial Statements of the Company for the year ended 31st December, 2017.

1. ABOUT THE COMPANY

The Company was incorporated in Nigeria as a private limited liability company on 9th January, 1959 and was converted to a public limited liability company in 1973. The Company's shares were quoted on the Nigerian Stock Exchange with effect from 14th March, 1974. Its subsidiary, Lewis Berger Paints Ghana Limited, was incorporated in Ghana with effect from 22nd October, 2013 as a private limited liability company. The principal activities of the Company remain the manufacturing and marketing of paints and allied products.

2. SUMMARY OF THE FINANCIAL RESULTS

Information relating to changes in fixed assets during the year is indicated in the notes to the financial statements. In the opinion of the Directors, the fair value of the Company's properties is not substantially less than the value shown in the Financial Statements.

The summary of the results is as follows:

In thousands of naira

	2017	2016
Revenue	3,092,445	2,602,824
Results from operating activities	339,524	278,317
Profit before tax	339,456	271,770
Profit for the year	246,276	224,007
Total comprehensive income for the year	265,250	234,219

3. DIVIDEND

The Directors are pleased to recommend to shareholders, the payment of a dividend of 50kobo. If approved, the dividend will be paid less withholding tax to members whose names appear in the Company's Register of Members as at the close of business on May 4, 2018.

4. CORPORATE GOVERNANCE

4.1. Whistleblowing: The Board encourages the exposure of unethical practices and all reported cases are investigated while the whistle blower is protected. Our Whistle Blowing Policy is displayed throughout our premises and on our website. Berger Paints Nigeria Plc. conducts its business with integrity and diligence and with total consideration for the interest of the shareholders and other stakeholders.

4.2. Respect For Law: Berger Paints Nigeria Plc. ensures that its existence and operations remain within the law and its employees are required to comply with the laws and regulations of Nigeria. To this end, the Company has a Code of Ethics which is publicly available and subscribed to by directors, staff and contractors. The Company, being a listed Company strives to comply with all laws and regulations, including post-listing requirements of the Nigerian Stock Exchange and the Rules and Regulations of the Securities and Exchange Commission, as well as the Code of Corporate Governance. To this end, returns were made periodically to the relevant regulatory authorities as at when due.



REPORT OF THE DIRECTORS (CONT'D)

- 4.3. Role In The Larger Society:** Berger Paints Nigeria Plc. remains undisputedly, a leading paints manufacturer in this country, and as an integral part of the Nigerian society, the Company plays numerous roles. Apart from being a major employer of labour, Berger Paints is a supplier, a customer, a partner as well as a willing and uncompromising taxpayer. In doing all these, the Company impacts on the society in no small way. The Company's relationship with the shareholders and stakeholders is cordial and objective.
- 4.4. Integrity:** The Company strives to maintain the highest standards of integrity in its operations. Accordingly, the Company condemns and does not give nor receive directly or otherwise any bribes, gratifications or obtain improper advantages for any business or financial gains. It is our policy to avoid any situation that will impact negatively on our operations.

5. BOARD OF DIRECTORS

- 5.1. Composition of the Board and Attendance at Meetings:** During the year under review, the Company was managed by a Board of ten Directors consisting of two Independent Non-Executive Directors (which included the Chairman), seven Non-Executive Directors and one Executive Director (i.e. the Managing Director). The Board met 4 times in 2017. In compliance with Section 258(2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004, the record of Directors' attendance at Board meetings is exhibited for inspection at the meeting. It is summarized hereunder:

SN	Member	March 23	July 27	Oct. 26	Dec. 14	No. (4)	%
1.	Dr. Oladimeji Alo	Present	Present	Present	Present	4	100
2.	Mr. Abi Ayida	Present	Present	Present	Present	4	100
3.	Chief Musa Danjuma	Apology	Present	Present	Present	3	75
4.	Mr. Nelson Nweke	Present	Present	Present	Present	4	100
5.	Mr. Wole Abegunde	Present	Present	Present	Apology	3	75
6.	Mr. Raj Mangtani	Present	Present	Present	Apology	3	75
7.	Mr. Kunle Olowokande	Present	Apology	Present	Present	3	75
8.	Engr. Patrick Buruche	Present	Present	Present	Present	4	100
9.	Mr. Sanjay Datwani	Present	Apology	Present	Present	3	75
10.	Mr. Peter Folikwe	Present	Present	Present	Present	4	100

- 5.2. Board Appointments:** There were no changes to the composition of the Board during the year under review. In practice, directors are appointed in line with articulated guidelines, taking into consideration of various factors, including the nominee's profile, other commitments and value addition to the Company.
- 5.3. Board Training:** directors have the opportunity to attend programs, relating to governance and business practices, as part of their continuing education. New directors undergo an induction program to familiarize themselves with the operations of the Company.
- 5.4. Directors retiring by rotation:** The Directors retiring by rotation in accordance with the Company's Articles of Association are Dr. Oladimeji Alo, Mr. Nelson Nweke and Mr. Abi Ayida who, being eligible offer themselves for re-election



5.5. Directors' Interest in Shares: The interests of each Director in the shares of the Company, as at 31st December 2017, as recorded in the Register of Members and/or notified by the Directors for the purpose of section 275 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004, and disclosed in accordance with the Listing Rules of Nigerian Stock Exchange are as stated below, along with their interests in contracts:

Director	Direct Interest	Indirect Interest	Interest in Contracts
Dr. Oladimeji Alo	2,012,000	None	Human capital services, through Excel Professional Services Ltd.
Mr. Abi Ayida	625,601	11,627,980 (c/o) Jurewa Inv. Ltd.	None
Chief Musa Danjuma	3,442,372	None	None
Mr. Nelson Nweke	234,320	None	None
Mr. Oluwole Abegunde	None	None	Registrar services, through Meristem Registrars Limited.
Mr. Raj Mangtani	None	None	Raw materials and product formulation, through Emychem Nigeria Ltd.
Mr. Adekunle Olowokande	197,965	None	None
Engr. Patrick Buruche	272,336	None	None
Mr. Sanjay Datwani	None	None	Raw materials, through Clayton Finance Ltd.
Mr. Peter Folikwe	7,000	None	None

5.6. Directors' Responsibilities: Berger Paints is committed to the highest ethical standards and best practices. The Board actively monitors the operations of the Company and is also responsible for safeguarding the assets of the Company by taking reasonable steps for the prevention/detection of fraud and other irregularities. The Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Company at the end of each financial year, and of the profit or loss for that year, in compliance with the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004. In so doing, the Directors ensure that:

- 5.6.1. Proper accounting records are kept which disclose with reasonable accuracy, the financial position of the Company and which ensure that Financial Statements comply with the requirements of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004;
- 5.6.2. Appropriate internal control procedures are established which, as far as is reasonably possible, safeguard the assets of the Company, prevent and detect fraud and other irregularities;
- 5.6.3. Applicable accounting standards are followed;
- 5.6.4. Suitable accounting policies are adopted, consistently applied and supported by reasonable judgments and estimates; and
- 5.6.5. The financial statements are prepared on a going concern basis, unless it is presumed that the Company will not continue in business.



REPORT OF THE DIRECTORS (CONT'D)

6. BOARD COMMITTEES

In conformity with the Code of Best Practices in Corporate Governance, the Finance & General Purpose Committee, Establishment, Remuneration & Governance Committee and Strategy & Risk Management Committee were in operation as at December 31 2017. The Board worked through these committees, along with ad-hoc committees. The Committees in turn, were guided by terms of reference and where required, referred to Executive Management in the discharge of its duties. The terms of reference of the Committees are summarized below, in addition to the record of directors' attendance:

6.1.1 Finance & General Purposes Committee: Review of financial statements, and monitoring of financial plans.

SN	Member	Jan. 25	March 21	April 20	July 19	Oct. 23	Dec. 12	No. (6)	%
1.	Mr. Abi Ayida	Present	Present	Present	Present	Present	N/A	5	100
2.	Chief Musa Danjuma	Present	Apology	Present	Apology	Present	N/A	3	60
3.	Mr. Wole Abegunde	Present	Present	Present	Apology	Apology	Present	3	50
4.	Mr. Nelson Nweke	Present	Present	Apology	Apology	Present	Present	4	60
5.	Mr. Kunle Olowokande	Present	Present	Present	Apology	Present	Present	5	80
6.	Engr. Patrick Buruche	N/A	N/A	N/A	N/A	N/A	Present	1	100
7.	Mr. Sanjay Datwani	N/A	N/A	N/A	N/A	N/A	Apology	0	0
8.	Mr. Peter Folikwe	Present	Present	Present	Present	Present	Apology	5	80

6.1.2 Establishment Remuneration & Governance Committee: Review of the management development and succession plans, as well as the assessment of the effectiveness of the Board's governance practices.

SN	Member	Mar. 16	Apr. 13	July 13	Oct. 23	Dec. 12	No. (4)	%
1.	Mr. Nelson Nweke	Present	Present	Present	Present	N/A	4	100
2.	Mr. Kunle Olowokande	Present	Present	Present	Present	N/A	4	100
3.	Mr. Raj Mangtani	Present	Present	Apology	Present	N/A	3	75
4.	Engr. Patrick Buruche	Present	Present	Present	Present	Present	5	100
5.	Mr. Abi Ayida	N/A	N/A	N/A	N/A	Present	1	100
6.	Chief Musa Danjuma	N/A	N/A	N/A	N/A	Present	1	100
7.	Mr. Wole Abegunde	N/A	N/A	N/A	N/A	Apology	0	0



6.1.3. Strategy & Risk Management Committee: Monitoring of the corporate strategy and review of the risk management policy.

SN	Member	July 18	Nov. 6	Nov. 21	Nov. 27	No. (4)	%
1.	Chief Musa Danjuma	Present	N/A	N/A	N/A	1	100
2.	Mr. Raj Mangtani	Present	N/A	N/A	N/A	1	100
3.	Engr. Patrick Buruche	Present	N/A	N/A	N/A	1	100
4.	Mr. Wole Abegunde	Apology	N/A	N/A	N/A	0	0
5.	Mr. Abi Ayida	Present	Present	Present	Present	4	100
6.	Mr. Kunle Olowokande	N/A	Present	Present	Present	3	100
7.	Mr. Nelson Nweke	N/A	Present	Present	Apology	2	66
8.	Mr. Raj Mangtani	N/A	Apology	Present	Present	2	66
9.	Mr. Sanjay Datwani	N/A	Present	Apology	Present	2	66
10.	Mr. Peter Folikwe	Present	Present	Present	Apology	3	75

7. AUDIT COMMITTEE

In accordance with the provisions of section 359(4) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004, the Audit Committee comprises of three non-executive directors and three shareholders' representatives. The Committee, in the conduct of its affairs as stipulated in Section 359 (6) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria, 2004, reviews the overall risk management and control systems, as well as financial reporting procedures and standards of business conduct of the Company. In the performance of their duties, the members have direct access to both the Internal Auditors and the External Auditors. The Committee met 5 times in 2017 as indicated below.

SN	Member	March 21	March 22	July 26	Oct. 25	Dec. 5	No. (5)	%
1.	Mr. Chibuzor Eke	Present	Present	Present	Present	Present	5	100
2.	Mrs. Mary Joke Shofolahan	Present	Present	Present	Present	Present	5	100
3.	Mr. Taiwo Afinju	Present	Present	Present	Present	Present	5	100
4.	Chief Musa Danjuma	Apology	Apology	Present	Present	Apology	2	40
5.	Mr. Nelson Nweke	Present	Present	Present	Apology	Present	4	80
6.	Mr. Kunle Olowokande	Present	Present	Apology	Present	Present	4	80

8. DONATIONS AND GIFTS

In compliance with Section 38 (2) of the Companies & Allied Matters Act CAP C20, Laws of the Federation of Nigeria, 2004, the Company did not make any donations to any political party, political association or for any political purpose in the year under review. Donations made during the year are stated below:

S/N	RECIPIENT	AMOUNT
1	Child Friendly Award	100,000
2	Development Africa	40,160
3	Sofunix International School	81,651
4	Teenager Camp	36,000
5	Yaba Baptist Bible School	60,000
6	Boys' Brigade Nigeria	500,000
7	Girl Art Foundation	101,653
8	Little Saints Orphanage and Heritage Orphanage Home	500,000
	TOTAL SPENT	1,419,464



9. QUALITY POLICY & INNOVATION

Berger Paints remains a forward-looking organization, which places premium on quality products. The Company is committed to improving quality through the use of identified processes, which are constantly monitored to meet approved international and local standards. These carefully monitored processes make it imperative that only high quality paints are produced and marketed by the Company. In recognition of the above, the Company has been awarded the latest International Standard Certification (ISO 9001-2008).

10. POST BALANCE SHEET EVENTS

There are no significant post balance sheet events which have not been provided for or disclosed in these financial statements.

11. RISK MANAGEMENT & INTERNAL CONTROLS

There is an effective internal audit function, in addition to which the risk management control and compliance system operates efficiently. An Enterprise Risk Management Framework has been approved by the Board and implemented by Management. The objectives of the Company's risk management policy are:

- 11.1. Maximise the benefit from new opportunities, challenges and initiatives;
- 11.2. Avoid damage to our reputation;
- 11.3. Take appropriate risk for return while improving shareholders' value;
- 11.4. Prioritise effectively between different risks; and
- 11.5. Demonstrate good corporate governance by managing our risks effectively.

12. SAFETY AND ENVIRONMENTAL POLICY

The safety of our employees is a priority. The Company has taken every precaution to provide a safe workplace and there is a zero tolerance policy for workplace violence. Our operations and procedures are regularly certified by both state and federal regulatory agencies. Accidents are investigated, and corrective actions put in place to forestall future occurrences. There were no fatalities, insert fire incidents nor lost workday cases, while the rate of lost time injury free days was 85%. The Company has developed a number of policies to promote safety and minimize accidents in the workplace, and it ensures the safety of its staff and visitors through various means including:

- 12.1. Ensuring that plant & equipment are adequately maintained to prevent accidents;
- 12.2. Using up to date methods to control hazards inherent in our operations;
- 12.3. Providing personal protective equipment and enforcing its usage;
- 12.4. Ensuring that safe work procedures are followed;
- 12.5. Ensuring that jobs are awarded only to contractors with laudable safety performances;
- 12.6. Ensuring that the working environment is clean, tidy and conducive;
- 12.7. Implementing an effective emergency management program so as to minimize adverse impact on human and the environment, in case of emergencies; and
- 12.8. Continuously training employees to create safety consciousness.

13. SUSTAINABILITY

Part of the fulfilment of our environmental friendliness practice is to conduct a periodic environmental audit to monitor the significant environmental aspects of our operations and put in place controls that will minimize or eliminate their adverse impact on the environment. The Company also complies with all



environmental laws and strives to minimize environmental impact associated with our activities. In addition, workplace accidents nor fatalities recorded. In its quest to apply the most environmentally beneficial options, the Company carried out the following:

- 13.1. The use of modern technology to reduce environmental pollution;
- 13.2. Conservation of resources in a cost effective manner;
- 13.3. The proper disposal or recycle of waste; and
- 13.4. The assessment of the adverse impact of our raw materials or new products on both humans and the environment.

14. WELLBEING, DIVERSITY AND OTHER HUMAN RESOURCE POLICIES

- 14.1. The Company's policy on managing diversity recognizes that there are differences among employees and that harnessing these differences create a productive environment in which everyone feels valued, their talents utilized and organizational goals met. We have also created an enabling environment where patterns of thinking are nurtured as a way of developing our employees as agents of change. Berger Paints Nigeria Plc. is committed to providing employment for people with physical challenges who are able to work.
- 14.2. In accordance with the Code of Conduct and Ethics we encourage equal opportunities and do not permit direct discrimination against any employer on the grounds of ethnicity, nationality, gender, sexual orientation, disability, religion, marital status or age. In addition, the use of bribes, gratifications, kickbacks or other improper payments to any person, or any attempts to corrupt or influence public employees or elected officials of any government is prohibited. The Company encourages equal opportunities as a human resources policy and in dealing with human resources issues, we encourage equity, fair play, learning, quality of life, ethical operations among others.
- 14.3. Partnership, representation and dialogue are encouraged through staff associations. Our Talent Management Policy and the Technical Sales Trainee Scheme are examples of a commitment to continuous development of the skills and abilities of employees in order to maximize their contribution.
- 14.4. Berger Paints Nigeria Plc. has a fully funded and comprehensive health policy that covers not only members of the Berger family but their dependents as well, under a comprehensive plan with approved Health Management Organisations (HMO). In addition, we have an in-house clinic staffed by qualified personnel and conduct regular health and wellness talks for employees.
- 14.5. In compliance with the requirements of the National Health Insurance Act, our employees are given the opportunity to choose a health provider nearest to their residence, for health related matters outside the workplace.
- 14.6. We also have a policy on HIV/AIDS and other serious diseases which aims to reassure employees that AIDS is not spread through casual contact during normal work practices and also to reduce unrealistic fears about contacting the certain diseases in the work place.
- 14.7. The Company is fully compliant with the provisions of the revised Pension Reform Act, 2015. Berger Paints staff enjoy highly subsidized meals served in a hygienically maintained canteen. The Company believes that productivity emanates from a healthy mind in a healthy body.



15. **OUTSOURCED BUSINESS PARTNERS**

The Company has numerous Outsourced Business Partners and dealers all over the country who have contributed to the turnover and to whom the Company remains grateful. Our Outsourced Business Partners are detailed within the Annual Report.

16. **SUPPLIERS**

Our raw materials are sourced both locally and internationally. The list of major suppliers is detailed in the Annual Report.

17. **INDEPENDENT AUDITORS**

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the Company. In accordance with section 357(2) of the Companies and Allied Matters Act of Nigeria, CAP C20 Laws of the Federation of Nigeria, 2004 therefore, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

18. **COMPLIANCE WITH REGULATORY REQUIREMENTS & COMPANY POLICIES**

The Company in the year under review did not contravene the rules of any of the regulatory authorities and did not receive any warnings or sanctions. The Company has adopted a policy regulating the procedure for handling shareholders' complaints, as well a policy on trading in the Company's shares. These can be found on the Company's website at www.bergerpaintsnig.com.

19. **RESPONSIBILITY FOR ACCURACY OF INFORMATION**

Pursuant to Article 2.2.4 of the Amended Listing Rules 2015 of the Nigerian Stock Exchange, the Directors of Berger Paints Nigeria Plc. accept responsibility for the accuracy of the information contained in this Report.

BY ORDER OF THE BOARD

OLUSEUN OLUWOLE FCIS
Company Secretary/Legal Adviser
FRC/2013/NBA/00000000856
March 29, 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

A handwritten signature in black ink, appearing to be 'Oladimeji Alo', written over a horizontal line.

Oladimeji Alo
Chairman
(FRC/2013/CIPMN/00000004115)
29 March 2018

A handwritten signature in blue ink, appearing to be 'Peter Folikwe', written over a horizontal line.

Peter Folikwe
Managing Director
(FRC/2015/NIMN/0000012628)
29 March 2018



REPORT OF THE AUDIT COMMITTEE

In accordance 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 Audit Committee of Berger Paints Nigeria Plc., having carried out our statutory functions under the Act, hereby report that:

- (a) The accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- (b) The scope and planning of both the external and internal audit programs for the year ended 31 December, 2017 are satisfactory and reinforce the Company's internal control system.
- (c) Having reviewed the External Auditors' findings and recommendations on management matters, we are satisfied with management response thereon.

Finally, we acknowledge the cooperation of Management in the conduct of these duties.

Members of the Audit Committee are:

- | | | |
|-----------------------------|---|---------------------------------------|
| • Mr. Chibuzor E. Eke | - | Shareholders' Representative/Chairman |
| • Mr. Taiwo A. Afinju | - | Shareholders' Representative |
| • Mrs. Mary Joke Shofolahan | - | Shareholders' Representative |
| • Chief Musa Danjuma | - | Non-Executive Director |
| • Mr. Nelson Nweke | - | Non-Executive Director |
| • Mr. Kunle Olowokande | - | Non-Executive Director |

The Company Secretary, Oluseun Oluwole is the Secretary to the Committee.

Dated March 22, 2018

Mr. Chibuzor Eke

FRC/2013/NIMN/00000004670

March 22, 2018



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KPMG Tower
Bishop Abovade Cole Street
Victoria Island
PMB 40014, Falomo
Lagos

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234 (1) 271 8589
Internet www.kpmg.com/ng

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Berger Paints Nigeria Plc**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Berger Paints Nigeria Plc ("the Company"), which comprise the statement of financial position as at 31 December 2017, and 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 information, as set out on pages 35 to 80.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Revenue is the most significant item in the Statement of Profit or Loss and Other Comprehensive Income and impacts key performance indicators on which the Company and its directors are assessed. Its significance makes revenue a matter of focus in our audit. Furthermore, the recognition and measurement of revenue from rendering painting services to customers requires the application of significant judgment by management in the estimation of the percentage of completion of individual contracts at year end.

Our procedures included the following:

- Evaluated the design, implementation and operating effectiveness of key internal controls established within the sales process;
- Obtained a sample of revenue transactions recognised for the year and agreed to invoices and delivery waybills acknowledged by customers;

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Partners:

Adiole F. Baco	Adediji O. Lamikanra	Adekunle A. Edebute	Adetola P. Aniyemi
Adeyemi K. Ayipi	Ajoola O. Oloruns	Aunani I. Salami	Ayoola H. Oluhewa
Ayoola A. Fayinka	Chibura N. Anyemadhi	Ehio A. Abayogase	Goodluck C. Cibi
Isomil M. Adigun	Ikenna T. Enweze-Edigbo	Joseph O. Tobi	Kabir O. Okunola
Lawrence C. Amadi	Mohammed M. Adama	Nneka C. Umana	Ogunmola I. Ogunbemis
Oladapo B. Okubadejo	Oluwalana J. Salauwase	Olanka I. James	Oumide C. Ogunna
Oluwalana A. Sesanke	Oluwalana O. Awotayo	Oluwalana A. Ebeg	Temilope A. Odebi
Tokunbo A. Oduka	Victor U. Oyenigba		



- Assessed the accuracy of a sample of journal entries relating to revenue by checking them to supporting documentation such as approved credit notes to customers with respect to sales returns and rebates;
- Challenged management's basis for recognition and measurement of revenue from painting services to customers by recalculating the proportion that costs incurred to date bears to the estimated total costs of the service;
- Recalculated rental revenue recognised in respect of the Company's investment property based on the report issued by the external property manager and;
- Performed cut-off procedures by checking that a sample of revenue transactions occurring prior to, and immediately after the year end date were recognized in the correct period.

The Company's accounting policy and notes on revenue are shown in notes 3 and 4 respectively of the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Information, Financial Highlights, Directors Report, Statement of Directors' Responsibilities, Report of the Audit Committee and Other National Disclosures (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. It also includes financial and non-financial information such as the Mission Statement, Vision Statement, Shared Values, Corporate Profile, Board of Directors, Directors' Profile, Chairman's Statement, Notice of Annual General Meeting, Shareholders' Information, Corporate Social Responsibility Activities, amongst others (together "Outstanding reports"), which are expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS and in the manner required by the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Audit Committee and the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and 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.

Oluwatoyin A. Gbagi, FCA
FRC/2012/ICAN/00000000565
For: KPMG Professional Services
Chartered Accountants
29 March 2018
Lagos, Nigeria





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STATEMENT OF FINANCIAL POSITION

As at 31 December 2017



In thousands of naira

Assets

	Note	2017	2016
Property, plant and equipment	11	2,208,523	1,866,843
Intangible assets	12	54,628	-
Investment property	13	466,295	487,592
Available-for-sale financial assets	14	-	187,137

Total non-current assets

2,729,446 2,541,572

Inventories	15	574,991	569,475
Trade and other receivables	16	175,390	381,029
Deposit for imports	17	29,411	-
Prepayments and advances	18	46,439	123,240
Cash and cash equivalents	19	755,747	486,949

Total current assets

1,581,978 1,560,693

Total assets

4,311,424 4,102,265

Equity

Share capital	20(a)	144,912	144,912
Share premium	20(b)	635,074	635,074
Fair value reserve	20©	-	64,400
Retained earnings		1,861,159	1,759,795

Total equity

2,641,145 2,604,181

Liabilities

Loans and borrowings (non-current)	23	380,821	122,281
Deferred income	22	71,579	-
Deferred tax liabilities	9(e)	137,347	67,675

Total non-current liabilities

589,747 189,956

Loans and borrowings (current)	23	73,435	5,583
Current tax liabilities	9(d)	102,498	246,474
Trade and other payables	21	557,396	679,151
Deferred income	22	26,077	51,468
Dividend payable	25	321,127	325,452

Total current liabilities

1,080,533 1,308,128

Total liabilities

1,670,280 1,498,084

Total equity and liabilities

4,311,424 4,102,265

These financial statements were approved by the Board of Directors on 29 March 2018 and signed on its behalf by:

-----Oladimeji Alo (FRC/2013/CIPMN/00000004115)
Chairman

-----Peter Folikwe (FRC/2015/NIMN/0000012628)
Managing Director

-----Modupe Oguntade (FRC/2014/ICAN/00000002246)
Head of Finance

The accompanying notes on pages 39 to 80 form an integral part of these financial statements.



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

<i>In thousands of naira</i>	Note	2017	2016
Revenue	4	3,092,445	2,602,824
Cost of sales	7(b)	(1,819,368)	(1,491,193)
Gross profit		1,273,077	1,111,631
Other income	5	183,441	235,466
Selling and distribution expenses	7(b)	(216,774)	(347,892)
Administrative expenses	7(b)	(900,220)	(720,888)
Operating profit		339,524	278,317
Finance income	6	29,888	28,365
Finance costs	6	(29,956)	(34,912)
Net finance costs		(68)	(6,547)
Profit before taxation	7	339,456	271,770
Income tax expense	9(a)	(93,180)	(47,763)
Profit for the year		246,276	224,007
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Available-for-sale financial assets (net change in fair value)	14	27,903	15,018
Related tax	9(b)	(8,929)	(4,806)
		18,974	10,212
Other comprehensive income		18,974	10,212
Total comprehensive income		265,250	234,219
Earnings per share:			
Basic earnings per share (kobo)	10	85	77

The accompanying notes on pages 39 to 80 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017



	Note	Attributable to equity owners of the company				
		Share capital	Share premium	Fair value reserve	Retained earnings	Total equity
<i>In thousands of naira</i>						
Balance at 1 January 2017		144,912	635,074	64,400	1,759,795	2,604,181
Comprehensive income for the year						
Profit for the year		-	-	-	246,276	246,276
Other comprehensive income	9(b)	-	-	18,974	-	18,974
Total comprehensive income for the year		-	-	18,974	246,276	265,250
Transactions with owners, recorded directly in equity						
Fair value reserve reclassified to profit or loss	20(c)	-	-	(83,374)	-	(83,374)
Dividends	25	-	-	-	(144,912)	(144,912)
Total transactions with owners		-	-	(83,374)	(144,912)	(228,286)
Balance at 31 December 2017		144,912	635,074	-	1,861,159	2,641,145
Balance at 1 January 2016						
		144,912	635,074	54,188	1,753,156	2,587,330
Comprehensive income for the year						
Profit for the year		-	-	-	224,007	224,007
Other comprehensive income	9(b)	-	-	10,212	-	10,212
Total comprehensive income for the year		-	-	10,212	224,007	234,219
Transactions with owners, recorded directly in equity						
Dividends	25	-	-	-	(217,368)	(217,368)
Total transactions with owners		-	-	-	(217,368)	(217,368)
Balance at 31 December 2016		144,912	635,074	64,400	1,759,795	2,604,181

The accompanying notes on pages 39 to 80 form an integral part of these financial statements.



STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

<i>In thousands of naira</i>	Note	2017	2016
Cash flows from operating activities			
Profit for the year		246,276	224,007
Adjustments for:			
- Depreciation	11(a) & 13	106,787	106,643
- Amortisation	12	6,883	-
- Finance income	6	(29,888)	(28,365)
- Finance costs	6	29,956	34,912
- Fair value reserve reclassified to profit or loss		(83,374)	-
- Gain on sale of property, plant and equipment	7(a)	(14,669)	(160,971)
- Tax expense	9(a)	93,180	47,763
		355,151	223,989
<i>Changes in:</i>			
- Inventories		(5,516)	(109,949)
- Trade and other receivables	16(c)	211,020	(113,579)
- Deposit for imports		(29,411)	70,995
- Prepayments and advances	18(a)	49,909	667,564
- Trade and other payables	21(d)	(124,360)	42,072
- Deferred income		46,188	31,408
Cash generated from operating activities		502,981	812,500
WHT credit notes utilised	9(d)	(10,482)	(31,992)
Income taxes paid	9(d)	(166,284)	(21,567)
Net cash generated from operating activities		326,215	758,941
Cash flows from investing activities			
Acquisition of property, plant and equipment	11(g)	(427,222)	(989,378)
Acquisition of intangible assets	12	(61,511)	-
Proceeds from sale of available-for-sale financial assets	14	215,040	-
Proceeds from sale of property, plant and equipment		14,614	252,154
Interest income on bank deposits	6	24,507	26,975
Net cash used in investing activities		(234,572)	(710,249)
Cash flows from financing activities			
Proceeds from loans and borrowings	23(b)	349,748	-
Repayment of borrowings	23(b)	(57,332)	-
Interest accrued	23(b)	33,976	-
Dividends paid	25	(149,237)	(162,484)
Net cash generated from/(used in) financing activities		177,155	(162,484)
Net increase/(decrease) in cash and cash equivalents		268,798	(113,792)
Cash and cash equivalents at 1 January		486,949	600,741
Cash and cash equivalents at 31 December	19	755,747	486,949

The accompanying notes on pages 39 to 80 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017



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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1 Reporting Entity

Berger Paints Nigeria Plc ("the Company") was incorporated in Nigeria as a private limited liability company in 1959 and was converted to a public liability company in 1973. Its registered office address is at 102, Oba Akran Avenue, Ikeja Industrial Estate, Ikeja, Lagos. The Company is listed on the Nigerian Stock Exchange.

The principal activities of the Company continue to be the manufacturing, sale and distribution of paints and allied products throughout the country and rent of investment property.

2 Basis of Preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011. The financial statements were authorised for issue by the Board of Directors on 29 March 2018.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following: non-derivative financial instruments which are initially measured at fair value and subsequently measured at amortised cost.
-Non-derivative financial instruments: Initially measured at fair value and subsequently measured at amortised cost.
-Inventories: Lower of cost and net realisable value.

The methods used to measure fair value are discussed further in Note 2(e).

(c) Functional and presentation currency

These financial statements are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand except where otherwise indicated.

(d) Use of estimates and judgment

In the preparation of these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policy and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

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

Information about critical judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Note 3(Q) and 28	Leases: whether an arrangement contains a lease
Note 3(D),(F),11 and 12	Determination of the useful life of leasehold land
Note 3(L) and 4	Recognition and measurement of revenue from rendering of services.

Information about assumptions and estimation uncertainties that have most significant effects on amounts recognised in the financial statements is included in the following notes;

Note 2(e) and 27	Determination of fair values
Note 3(G) and 16	Impairment test: key assumptions underlying recoverable amounts,
Note 23(a)	Determination of repayment cashflows in respect of the investment property development financing arrangement.



(e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 27 – Financial instruments- Fair values and financial risk management.

3 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

A. Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to naira at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

B. Financial instruments

i. Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Subsequent to initial recognition, non-derivative financial assets are measured as described below:

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables and cash & cash equivalents.

Available-for-sale financial assets

Available-for-sale (AFS) financial assets are non-derivatives financial assets that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Listed equities held by the Company that are traded in an active market are classified as AFS. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in OCI and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Cash and cash equivalents comprise cash in hand, cash balances with banks, and short term investments with maturities of three months or less from the date of acquisition, which are subject to an insignificant risk of change in value, net of any overdraft balances.



ii. Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company has the following non-derivative financial liabilities: Trade & other payables, and loans and borrowings. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities, for which the Company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date, are classified as non-current liabilities.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

C. Capital and other reserves

i. Share capital

The Company has only one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded as share premium. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

ii. Share premium

When the company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares is transferred to the share premium account. Any transaction costs associated with the share issues are deducted from share premium account, net of any related income tax benefits. The use of the share premium account is governed by S.120 (3) of the Companies and Allied Matters Act, CAP C.20, Laws of the Federation of Nigeria, 2004,

iii. Retained earnings

Retained earnings represents the Company's accumulated earnings since its inception, less any distributions to shareholders, and net of any prior period adjustments. A negative amount of retained earnings is reported as accumulated deficit.

iv. Fair value reserve

Fair value reserve comprises the cumulative net change in available-for-sale financial assets until the assets are derecognised or impaired.

D. Property, plant and equipment

i. Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably items of property,



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Items of property, plant and equipment under construction are disclosed as capital work-in-progress.

If significant part of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment."

ii. Subsequent cost

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii. Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on derecognition or disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss in the statement of profit or loss and other comprehensive income.

iv. Depreciation

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

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Capital work-in-progress is not depreciated.

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

Leasehold land	–	Unlimited
Buildings	–	20 years
Plants and machinery		
- Fixed plant	–	12 years
- Movable plant	–	7 years
- Generators	–	5 years
Motor vehicles		
- Trucks	–	6 years



- Cars	-	4 years
Furniture and fittings	-	8 years
Computer equipment	-	2 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

E. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at the end of each year, changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as charges in accounting estimates.

The amortisation expense of tangible assets with finite lives is recognised in the profit or loss as the expense category that is consistent with the function of the intangible assets. Gains or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when asset is derecognised.

Purchased software with finite useful lives are recognised as assets if there is sufficient certainty that future economic benefits associated with the item will flow to the entity. Amortisation is calculated using the straight-line method over three (3) years.

F. Investment property

i. Recognition and measurement

An investment property is either land or a building or part of a building held by the Company to earn rentals or for capital appreciation or both.

Investment property is initially measured at cost, including transaction costs. Such cost does not include start-up costs, abnormal waste, or initial operating losses incurred before the investment property achieves the planned level of occupancy.

The cost model is applied in accounting for investment property. The investment property is recorded at cost less any accumulated depreciation and impairment losses.

ii. Subsequent expenditure

The cost of replacing a part of an item of investment property is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of investment property are recognised in profit or loss as incurred.

iii. Depreciation

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

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of the investment property which reflects the expected pattern of consumption of the future economic benefits embodied in



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

the asset.

Except for leasehold land, the estimated useful lives for the current and comparative periods are as follows:

Buildings	-	20 years
Leasehold land	-	unlimited

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

iv. Transfers

Transfers to, or from, investment property are made when there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- commencement of development with a view to sale, for a transfer from investment property to inventories;
- end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- commencement of an operating lease to another party, for a transfer from inventories to investment property.

Transfers to, or from, investment property does not change the carrying amount of the property transferred, and they do not change the cost of the property for measurement or disclosure purposes.

G. Impairment

i. Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.



For equity instrument classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment. Where such evidence exists, the cumulative gain or loss that has been previously recognised in Other Comprehensive Income (OCI) and transferred to equity is removed from equity (through OCI) and recognised in profit or loss. Reversals of impairment of equity instruments are not recognised in the profit or loss. Subsequent increases in the fair value of equity instruments after impairment are recognised directly in OCI.

For debt instruments classified as available for sale, impairment is assessed based on the same criteria as all other financial assets above. Reversals of impairment of debt instruments are recognised in the profit or loss.

ii. Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

H. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

I. Provisions

A provision is recognised, if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost in profit or loss.

J. Employee benefits

i. Defined contribution plan

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

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for all employees. The Company and its employees contribute a minimum of 10% and 8% of the employees annual basic salary, housing and transport allowances respectively to the scheme. Employee contributions to the scheme are funded through payroll deductions while the Company's contributions are charged to profit and loss.

On 1 January 2016, the Company increased the employer contributions to the scheme to 15% of employee's annual basic salary, housing and transport allowances.

ii. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided in profit or loss.

A liability is recognised for the amount expected to be paid if the Company has 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.

iii. Termination benefits

Termination benefits are recognised as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed 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 benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.



K. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventory includes expenditure incurred in acquiring the inventory, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The basis of costing is as follows:

Raw materials, non-returnable packaging materials and consumable spare parts	-	purchase cost on a weighted average basis including transportation and applicable clearing charges.
Finished products and products-in-process	-	weighted average cost of direct materials and labour plus a reasonable proportion of manufacturing overheads based on normal levels of activity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of conversion and selling expenses.

L. Revenue

i. Sale of goods

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

Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

ii. Rendering of service - supply and apply services contract

Supply and apply services contract revenue results from rendering painting services to customers. These services are rendered based on specific negotiated contracts with the customers.

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

If the outcome of a service can be estimated reliably, then contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by recalculating the proportion that costs incurred to date bears to the estimated total costs of the service. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognised as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit loss.

iii. Investment property rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other properties are recognised as other income.

M. Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income and reclassification of net gains previously recognised in OCI. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

income is recognised in profit or loss on the date that the Company's right to receive payment is established. Finance costs comprise interest expense on financial liabilities and impairment losses recognised on financial assets (other than trade receivables). Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

N. Government grant

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

O. Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax includes company income tax, tertiary education tax and capital gains tax.

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

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

Deferred tax is recognised in profit or loss account except to the extent that it relates to a transaction that is recognised directly in equity. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.



P. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held (if any). Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held (if any), for the effects of all dilutive potential ordinary shares.

Q. Leases

- i. Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

- ii. Leased assets

Assets held by the Company under leases which transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

- iii. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

R. Statement of cashflows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividend paid to ordinary shareholders are included in financing activities while finance income received is included in investing activities.

S. Operating Segment

An operating segment is a distinguishable component of the Company that earns revenue and incurs expenditure from providing related products or services (business segment), or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.

The Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

All operating segments' operating results are reviewed regularly by the Management Committee, which is considered to be the chief operating decision maker for the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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

T. Dividends

Dividend payable is recognised as a liability in the period in which they are declared and the shareholders right to receive payment has been established.

Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with section 385 of the Companies and Allied Matters Act of Nigeria are written back to retained earnings.

U. Prepayments and advances

Prepayments and advances are non-financial assets which result when payments are made in advance of the receipt of goods or services. They are recognised when the Company expects to receive future economic benefits equivalent to the value of the prepayment. The receipt or consumption of the goods or services results in a reduction in the prepayment and a corresponding increase in expenses (assets) for that reporting period.

V. Deposit for imports

Deposit for imports are non-financial assets which result when letters of credit are opened with the bank for the importation of raw materials and plant and machinery. They are recognised when the Company expects to receive future economic benefits equivalent to the value of the deposit made.

W. Investment in subsidiary

Subsidiaries are entities controlled by the Company. Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognised in profit or loss. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

X. Related parties

Related parties include the Company's shareholders, directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Related parties transactions of similar nature are disclosed in aggregate except where separate disclosure is necessary for understanding of the effects of the related party transactions on the financial statements of the entity.

Y. New standards and interpretations not yet adopted

Standards issued but not yet effective

- IFRS 9 - Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which replaces IAS 39 Financial Instruments:



Recognition and Measurement. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Company will apply IFRS 9 as issued in July 2014 initially on 1 January 2018.

Classification and Measurement – Financial Assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and the 'solely payment of principal and interest' cash flow characteristics of the financial assets.

IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

The Company is not significantly exposed to financial instruments and most of its financial assets will be classified as measured at amortised on the date of initial application. Therefore, the Company does not anticipate any significant financial impact on its equity arising from the adoption of the classification and measurement requirements of IFRS 9 on 1 January 2018.

Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. ECLs are a probability-weighted estimate of credit losses over the expected life of the financial instrument. Credit losses are the present value of expected cash shortfalls i.e. the present value of the difference between the cash flows due to the entity in under the contract; and the cash flows that the entity expects to receive. IFRS 9 does not prescribe a single method to measure ECLs. Rather, it acknowledges that the methods used to measure ECLs may vary based on the type of financial asset and the information available. The standard allows the use of practical expedients when estimating ECLs, to the extent that its measurement reflect an unbiased and probability weighted amount, time value of money and reasonable and supportable information that is available without undue cost or effort. The standard contains a simplified approach that uses provision matrix to measure lifetime ECLs for trade receivables.

Changes in accounting policies resulting from IFRS 9 will be applied retrospectively as at 1 January 2018, but with no restatement of comparative information for prior years. Consequently, the Company will recognise any difference between the carrying amount of financial instruments under IAS 39 and the carrying amount under IFRS 9 in the opening retained earnings (or other equity components) of the accounting period including the date of initial application.

The total estimated adjustment (net of tax) to the opening equity at the date of initial application is not material.

– IFRS 15 - Revenue from Contract with Customers

This standard combines, enhances and replaces specific guidance on recognising revenue with a single standard.

It defines a new five-step model to recognise revenue from customer contracts. The Company has undertaken a review of the main types of commercial arrangements used with customers under this model and has tentatively concluded that the application of IFRS 15 will not have a material impact on the financial position. The effect identified so far is on a small proportion of revenue relating to supply and apply services (less than 2% of annual revenue), which is expected to be recognised at a point in time under the new standard. This is not expected to have a material impact on the profit or loss and financial position of the Company.

This standard is mandatory for the accounting period beginning on 1 January 2018. The Company is planning to apply the standard retrospectively

– IFRS 16 - Leases

This standard will replace IAS 17 and sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 eliminates the classification of



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

leases as operating leases or finance leases as required by IAS 17 and introduces a single lessee accounting model. Applying that model, a lessee is required to recognise:

- a. assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
- b. depreciation of lease assets separately from interest on lease liabilities in the profit or loss.

The Company is not expected to be significantly impacted by the single lessee accounting model of IFRS 16.

Z. Other standards

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- Annual improvements to IFRSs 2014 - 2016 Cycle - Amendments to IFRS 1 and IAS 28
- Transfers of Investment Property (Amendments to IAS 40)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- IFRIC 23 Uncertainty over Income Tax Treatments



4 Revenue

Revenue for the year comprises:

In thousands of naira

(a) Sale of paints and allied products

Contract revenue

Investment property rental income

	2017	2016
	2,994,490	2,493,395
	49,500	52,476
	48,454	56,953
	3,092,444	2,602,824

Nigeria is the Company's primary geographical segment as all sales in the current and prior year were made in the country.

5 Other income

(a) Other income comprises:

In thousands of naira

Sale of Scrap

Rental income on property subleases (Note 5(a(i)))

Profit from disposal of property, plant and equipment

Insurance claims received

Income from new dealership registration (Note 5(a(ii)))

Gain from sale of available for sale financial assets (Note 20(c))

Sale of diesel oil

	2017	2016
	10,551	9,567
	45,369	26,916
	14,669	160,971
	1,356	3,725
	27,873	30,274
	83,374	-
	249	4,013
	183,441	235,466

(i) This represents income earned from leases of an insignificant portion of the Company's building properties to third parties.

(ii) This represents a one-off fee usually received from newly registered dealers/distributors.

6 Finance income and finance cost

Recognized in profit or loss:

In thousands of naira

Interest income on bank deposits

Exchange gain

Finance income

Interest expense on short term borrowings

Exchange loss

Interest expense on financial liabilities measured at amortised costs.

Finance cost

Net finance costs recognised in profit or loss

	2017	2016
	24,507	26,975
	5,381	1,390
	29,888	28,365
	-	(666)
	(12,095)	-
	(17,861)	(34,246)
	(29,956)	(34,912)
	(68)	(6,547)



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7 Profit before tax

(a) Profit before tax is stated after charging/(crediting):

In thousands of naira

Directors' emoluments	
Depreciation	
Amortisation	
Personnel expenses	
Auditors' remuneration	
Profit on disposal of property, plant and equipment	

	2017	2016
8(d)	45,733	28,319
11(a) & 13	106,788	106,643
12	6,883	-
8(a)	588,231	566,695
	17,500	16,275
	(14,669)	(160,971)

(b) **Analysis of expenses by nature**

In thousands of naira

Directors emoluments	
Personnel expenses (Note 8(a))	
Training expenses	
Repairs and maintenance	
Office and corporate expenses	
Rates	
Utilities	
Insurance	
Travel, transport and accommodation	
Rent expenses	
Subscriptions and donations	
Depreciation (Note 11(a))	
Amortisation (Note 12)	
Printing and stationery	
Legal and professional services fees	
Auditors' remuneration	
(Write-back)/Impairment loss on trade receivables (Note 16(b))	
Bank charges	
Advertisement and publicity	
Distribution and selling expenses	
Raw materials and consumables	
Supply and apply services contract expenses	

	2017	2016
	45,733	28,319
	588,231	566,695
	14,455	8,750
	88,755	73,934
	33,802	36,307
	15,876	2,813
	58,277	34,399
	8,324	6,206
	108,003	95,980
	4,318	7,290
	7,783	7,168
	106,788	106,643
	6,883	-
	7,723	6,601
	42,525	104,799
	17,500	16,275
	6,892	6,243
	6,403	7,524
	69,115	101,276
	147,659	119,082
	1,526,417	1,208,543
	24,900	15,126
	2,936,362	2,559,973
<i>Summarised as follows:</i>		
Cost of sales	1,819,368	1,491,193
Selling and distribution expenses	216,774	347,892
Administrative expenses	900,220	720,888
Total cost	2,936,362	2,559,973



8 Personnel expenses

- (a) Personnel expenses, excluding remuneration of executive director during the year comprises:

In thousands of naira

	2017	2016
Salaries, wages and allowances	549,814	522,371
Employer contribution to compulsory pension fund scheme	38,417	44,324
	588,231	566,695

- (b) Number of employees of the Company as at year end, whose duties were wholly or mainly discharged in Nigeria, received annual remuneration (excluding pension contributions and certain benefits) in the following ranges:

		2017	2016
	N-	Number	Number
500,001	-	30	49
1,000,001	-	86	92
1,500,001	-	22	26
2,000,001	-	12	11
3,000,001	and	15	16
		165	194

- (c) The number of persons employed as at period end are:

	2017	2016
Production	40	46
Sales and marketing	35	59
Finance	16	16
Administration	11	10
Maintenance	10	10
Corporate	7	7
Procurement	4	4
Distribution	14	13
Information Technology	4	3
Technical	13	14
Raw materials	11	12
	165	194



9 Taxation

- (a) The tax charge for the year has been computed after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes, and comprises:

<i>In thousands of naira</i>	2017	2016
Current tax expense:		
Company income tax	53,973	42,724
Capital gains tax	25	13,500
Tertiary education tax	5,684	4,322
	59,682	60,546
WHT credit notes previously impaired, now recovered	(27,245)	
Charge for the year	32,437	60,546
Deferred tax charge/(credit):		
Origination and reversal of temporary differences (Note 9 (e))	60,743	(12,783)
	60,743	(12,783)
Income tax expense	93,180	47,763

- (b) Amounts recognised in other comprehensive income:

<i>In thousands of naira</i>	2017			2016		
	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Fair value change on available-for-sale financial assets	27,903	(8,929)	18,974	15,018	(4,806)	10,212
	27,903	(8,929)	18,974	15,018	(4,806)	10,212

- (c) Reconciliation of effective tax rate:

In thousands of naira

	2017		2016	
	%		%	
Profit for the year		246,276		224,007
Taxation		93,180		47,763
Profit before tax		339,456		271,770
Income tax using the Company's domestic rate of 30%				
	30	101,837	30	81,531
Tertiary education tax @ 2%	2	6,789	2	5,435
- Non-deductible expenses	2	6,797	6	16,429
- Tax exempt income	-	-	(25)	(68,403)
- Tax incentives	(0)	(1,000)	(0)	(729)
- WHT notes recovered	(8)	(27,245)	-	-
- Other tax differences	2	5,994	-	-
- Effect of capital gains tax	-	8	5	13,500
Tax expense	27	93,180	18	47,763



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(d) The movement on the tax payable account during the year was as follows:
In thousands of naira

i. Current tax liabilities

	2017	2016
Balance, beginning of the year	271,009	264,022
Current year charge	59,682	60,546
Cash payments	(166,284)	(21,567)
WHT credit notes previously impaired, now recovered	(27,245)	-
WHT credit notes utilised	(10,482)	(31,992)
	126,680	271,009

ii. WHT credit notes

	2017	2016
Balance, beginning of the year	24,535	44,393
Additions	10,129	12,134
WHT credit notes utilised	(10,482)	(31,992)
	24,182	24,535
Balance, end of the year	102,498	246,474



(e) Movement in deferred tax balances

In thousands of naira

	Balance at 31 December					
	Balance at 1 January	Recognised in profit or loss	Recognised in Other comprehensive income	Net	Deferred tax assets	Deferred tax liabilities
2017						
Property, plant and equipment	126,838	58,249	-	185,087	-	185,087
Allowance on trade receivables	(27,890)	1,545	-	(26,345)	(26,345)	-
Provision for gratuity (discontinued)	(52,391)	49,661	-	(2,730)	(2,730)	-
Provision for slow moving inventories	-	(16,516)	-	(16,516)	(16,516)	-
Unrealized exchange losses/(gains)	444	(2,593)	-	(2,149)	(2,149)	-
Available-for-sale financial assets (net change in fair value)	20,674	(29,603)	8,929	-	-	-
Net tax (assets)/ liabilities	67,675	60,743	8,929	137,347	(47,740)	185,087

	Balance at 31 December					
	Balance at 1 January	Recognised in profit or loss	Recognised in Other comprehensive income	Net	Deferred tax assets	Deferred tax liabilities
2016						
Property, plant and equipment	152,912	(26,074)	-	126,838	-	126,838
Allowance on trade receivables	(58,285)	5,894	-	(52,391)	(52,391)	-
Provision for gratuity (discontinued)	(34,843)	6,953	-	(27,890)	-	-
Unrealized exchange losses/(gains)	-	444	-	444	(27,446)	-
Available-for-sale financial assets (net change in fair value)	15,868	-	4,806	20,674	-	20,674
Net tax (assets)/ liabilities	75,652	(12,783)	4,806	67,675	(79,837)	147,512

10 Basic earnings per share

Basic earnings per share of 85 kobo (2016: 77 kobo) is based on the profit for the year of N246 million (2016: N224 million) and on 289,823,447 (2016: 289,823,447) ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue during the year.

Basic earnings per share is the same as diluted earnings per share.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11 Property Plant and equipment

(a) The movement on these accounts was as follows:

In thousands of naira

	Leasedhold Land N'000	Buildings N'000	Plants and Machinery N'000	Furniture and fittings N'000	Motor Vehicles N'000	Computer Equipment N'000	Capital work-in progress N'000	TOTAL N'000
Cost								
Balance at 1 January 2016	496,650	372,740	349,807	52,391	279,825	134,261	189,586	1,875,260
Additions	-	-	6,070	84	14,760	3,996	971,868	996,778
Transfers	-	-	14,239	-	-	-	(14,239)	-
Disposals	(94,000)	(29,738)	-	-	(6,255)	-	-	(129,993)
Balance at 31 December 2016	402,650	343,002	370,116	52,475	288,330	138,257	1,147,215	2,742,045
Balance at 1 January 2017	402,650	343,002	370,116	52,475	288,330	138,257	1,147,215	2,742,045
Additions	-	-	11,434	2,943	48,000	21,895	342,950	427,222
Disposals	-	-	(2,646)	(590)	(45,370)	(7,900)	-	(56,506)
Balance at 31 December 2017	402,650	343,002	378,904	54,828	290,960	152,252	1,490,165	3,112,761
Accumulated depreciation								
Balance at 1 January 2016	97,983	184,345	186,780	39,682	190,147	129,997	-	828,934
Charge for the year	-	18,511	21,563	3,245	37,831	3,928	-	85,078
Disposals	(18,800)	(16,225)	-	-	(3,785)	-	-	(38,810)
Balance at 31 December 2016	79,183	186,631	208,343	42,927	224,193	133,925	-	875,202
Balance at 1 January 2017	79,183	186,631	208,343	42,927	224,193	133,925	-	875,202
Charge for the year	-	17,103	10,058	2,962	47,980	7,387	-	85,490
Disposals	-	-	(2,646)	(590)	(45,315)	(7,900)	-	(56,451)
Balance at 31 December 2017	79,183	203,734	215,755	45,299	226,858	133,412	-	904,241
Carrying amounts								
At 31 December 2016	323,467	156,371	161,773	9,548	64,137	4,332	1,147,215	1,866,843
At 31 December 2017	323,467	139,268	163,149	9,529	64,102	18,840	1,490,165	2,208,523

(b) Assets pledged as security

No asset of the company was pledged as security for loan as at 31 December 2017 (2016: Nil)

(c) Impairment of property, plant and equipment

No impairment loss is recognised for the year (2016: Nil).

(d) Capital commitments

Capital expenditure commitments for the year 2017 authorised by the Board of Directors comprise:

In thousands of naira

Approved and contracted

Approved but not contracted

	2017	2016
Approved and contracted	341,778	26,090
Approved but not contracted	85,444	149,844
	427,222	175,934


(e) Property, plant and equipment under construction

Expenditure on capital work in progress as at 31 December 2017 is analysed as follows:

In thousands on naira

Plant and machinery

Buildings

	2017	2016
Plant and machinery	1,036,934	714,060
Buildings	453,231	433,155
	1,490,165	1,147,215

Included in this amount of capital work in progress are capitalised borrowing costs of N54.9 million (2016: Nil), at a capitalisation rate of 100%.

(f) Assets held on finance lease

The leasehold land is held under finance lease arrangements for a minimum lease term of 99 years. The lease amounts were fully paid at the inception of the lease. The classification of the lease of land as a finance lease is on the basis that the lease transfers substantially all of the risks and rewards incidental to ownership of the land to the Company.

(g) Additions in statement of cash flows

In thousands on naira

Additions (Note 11(a))

Accrued additions to PPE (Note 21(d))

	2017	2016
Additions (Note 11(a))	427,222	996,778
Accrued additions to PPE (Note 21(d))	-	(7,400)
	427,222	989,378

12 Intangible assets
Cost

Balance at 1 January 2017

Additions for the year

Balance at 31 December 2017

Accumulated amortisation

Balance at 1 January 2017

Charge for the year

Transfers

Disposals

Balance at 31 December 2017

Carrying amounts

At 31 December 2016

At 31 December 2017

**Computer
Software
N'000**

Balance at 1 January 2017	-
Additions for the year	61,511
Balance at 31 December 2017	61,511
Balance at 1 January 2017	-
Charge for the year	6,883
Transfers	-
Disposals	-
Balance at 31 December 2017	6,883
At 31 December 2016	-
At 31 December 2017	54,628

The Company's intangible asset represents investment on licence and technical agreement on Microsoft Navision ERP applications. The Microsoft Navision ERP application was acquired in 2017 to be amortised to income statement over a period of three years.

Intangible assets amortisation charged to profit or loss amounts to N6.9m (2016:Nil) and is included as part of administrative expenses.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13 Investment property

The movement on these accounts was as follows:

In thousands of naira

Cost

Balance at 1 January

Balance at 31 December 2017

Accumulated depreciation

Balance at 1 January

Charge for the year

Balance at 31 December 2017

Carrying amounts

	2017	2016
Balance at 1 January	604,468	604,468
Balance at 31 December 2017	604,468	604,468
Balance at 1 January	116,876	95,311
Charge for the year	21,297	21,565
Balance at 31 December 2017	138,173	116,876
Carrying amounts	466,295	487,592

Investment property comprises the Company's land and building at Abuja (hereinafter referred to as Berger Paints Plaza). The Company completed and commissioned the Berger Paints Plaza in November 2013. The Berger Paints Plaza is made up of 2,196 square meters of trade shops and offices available for commercial rent. The property has been leased to third parties and is managed on behalf of the Company by Gauge Construction Servicing Limited.

Rental income generated from investment property during the year was N48.5 million (2016: N56.9 million).

Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year was N3.40 million (2016: N1.97 million).

Each of the leases contains an initial non-cancellable period of one (1) year. No contingent rents are charged.

The fair value of the investment property as at year end has been estimated to be N2.02 billion. The fair value was determined by external, independent property valuers with Financial Reporting Council of Nigeria (FRC) No: FRC/2015/NIESV/00000013406.

14 Available-for-sale financial assets

This comprises the following:

In thousands of naira

Equity

Treasury bills

Money market instruments

	2017	2016
Equity	-	161
Treasury bills	-	140,651
Money market instruments	-	46,325
	-	187,137

The movement on this account during the period was as follows:

In thousands of naira

Balance at 1 January

Fair value change on investments during the year (Note 20(c))

Proceeds realised on sale

Balance at 31 December 2017

	2017	2016
Balance at 1 January	187,137	172,119
Fair value change on investments during the year (Note 20(c))	27,903	15,018
Proceeds realised on sale	(215,040)	-
Balance at 31 December 2017	-	187,137



15 Inventories

In thousands of naira

Raw and packaging materials
 Products in process
 Finished products
 Engineering spares and consumables

Impairment allowance

	2017	2016
Raw and packaging materials	342,088	353,115
Products in process	19,595	16,439
Finished products	246,924	216,405
Engineering spares and consumables	17,997	15,774
	626,604	601,733
Impairment allowance	(51,613)	(32,258)
	574,991	569,475

The value of raw and packaging materials, changes in finished products and products-in-process consumed during the year and recognised in cost of sales amounted to N1.54billion (2016: N1.37 billion).

16 Trade and other receivables

(a) *In thousands of naira*

Trade receivables
 Rent Receivable
 Staff debtors
 Accrued income
 Deposit with Registrar
 Outstanding balance on proceeds of disposal
 Interest receivable

Impairment allowance

	2017	2016
Trade receivables	143,126	151,426
Rent Receivable	69,542	56,541
Staff debtors	4,312	4,295
Accrued income	-	2,633
Deposit with Registrar	46,400	160,369
Outstanding balance on proceeds of disposal	8,761	98,547
Interest receivable	2,923	-
	275,064	473,811
Impairment allowance	(99,674)	(92,782)
	175,390	381,029

The Company's exposure to credit and currency risks related to trade and other receivables is disclosed in Note 27(b).

(b) The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

In thousands of naira

Balance at 1 January
 Impairment loss recognised
 Trade receivables written off
 Balance at 31 December 2017

	2017	2016
Balance at 1 January	92,782	128,286
Impairment loss recognised	6,892	6,243
Trade receivables written off	-	(41,747)
Balance at 31 December 2017	99,674	92,782

(c) Reconciliation of changes in trade and other receivables included in statement of cash flows is as follows:

Movement in trade and other receivables
 Exchange gain (Note 6)
 Changes in trade and other receivables per statement of cash flows

	2017	2016
Movement in trade and other receivables	205,639	(114,969)
Exchange gain (Note 6)	5,381	1,390
Changes in trade and other receivables per statement of cash flows	211,020	(113,579)



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17 Deposit for imports

The deposits for imports represent amounts deposited with banks to fund letters of credit. These letters of credit are meant to finance the importation of raw materials. The total value of deposit for imports as at year end amounted to N29.4 million (2016: Nil).

18 Prepayments and advances

In thousands of naira

	2017	2016
Prepaid rent	311	2,300
Advance payment to suppliers	17,013	93,682
WHT receivables	21,535	18,291
Deposit for clearing charges	-	1,066
Prepaid insurance and others	7,580	7,901
	46,439	123,240

(a) Reconciliation of changes in prepayments and advances included in statement of cash flows is as follows:

	2017	2016
Movement in prepayment and advances	76,801	647,706
WHT credit notes previously impaired, now recovered	(27,245)	-
Movement in WHT credit notes	353	19,858
Changes in prepayments and advances per statement of cash flows	49,909	667,564

19 Cash and cash equivalents

In thousands of naira

	2017	2016
Cash on hand	105	192
Balance with banks	449,078	252,907
Short term deposits with banks	306,564	233,850
Cash and cash equivalents	755,747	486,949

Included in cash and cash equivalents are short term bank deposits with maturities from thirty (30) days to three (3) months.

The company's exposure to credit and market risk for financial assets is disclosed in Note 27.

20 Capital and reserves

(a) Ordinary shares as at 31 December

In thousands of naira

Authorised 800,000,000 ordinary shares of 50k each

Issued and fully paid 289,823,447 ordinary shares of 50k each

	2017	2016
Authorised 800,000,000 ordinary shares of 50k each	400,000	400,000
Issued and fully paid 289,823,447 ordinary shares of 50k each	144,912	144,912

(b) Share premium

In thousands of naira

At 1 January

At 31 December 2017

	2017	2016
At 1 January	635,074	635,074
At 31 December 2017	635,074	635,074

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)



- (c) Fair value reserve
In thousands of naira

At 1 January	64,400	54,188
Fair value change on available-for-sale investments (Note 14)	27,903	15,018
Related tax on gains on available-for-sale investments (Note 9(b))	(8,929)	(4,806)
Fair value reserve reclassified to profit or loss during the year	(83,374)	-
At 31 December 2017	-	64,400

	2017	2016
At 1 January	64,400	54,188
Fair value change on available-for-sale investments (Note 14)	27,903	15,018
Related tax on gains on available-for-sale investments (Note 9(b))	(8,929)	(4,806)
Fair value reserve reclassified to profit or loss during the year	(83,374)	-
At 31 December 2017	-	64,400

21 Trade and other payables

- (a) Trade and other payables comprises:

In thousands of naira

Trade payables	178,196	151,033
Customer deposits	117,011	115,767
Value Added Tax	16,845	1,008
Withholding Tax	34,043	32,327
PAYE	36,659	31,511
Short term employee payables (Note (c))	8,531	163,721
Pension payable (Note (b))	18,175	18,175
Other non-income taxes	19,603	9,506
Accruals	101,460	121,979
Other payables	26,873	34,124
	557,396	679,151

	2017	2016
Trade payables	178,196	151,033
Customer deposits	117,011	115,767
Value Added Tax	16,845	1,008
Withholding Tax	34,043	32,327
PAYE	36,659	31,511
Short term employee payables (Note (c))	8,531	163,721
Pension payable (Note (b))	18,175	18,175
Other non-income taxes	19,603	9,506
Accruals	101,460	121,979
Other payables	26,873	34,124
	557,396	679,151

The Company's exposure to liquidity risks related to trade and other payables is disclosed in Note 27.

- (b) **Pension payable**

In thousands of naira

Balance at 1 January	18,175	4,443
Charge for the year	49,976	44,324
Payments	(49,976)	(30,592)
At 31 December 2017	18,175	18,175

	2017	2016
Balance at 1 January	18,175	4,443
Charge for the year	49,976	44,324
Payments	(49,976)	(30,592)
At 31 December 2017	18,175	18,175

- (c) **Short term employee payables**

Short term employee payables represents the balance of the discontinued gratuity scheme payable to employees currently in the employment of the Company. Employees are entitled to the balance accruing to them on or before exit from the Company.

The Company discontinued the staff gratuity benefits on December 31, 2015. During the current year, a subsequent agreement was reached between the representatives of the staff trade and labour unions and the Company, resulting in the discontinued gratuity benefit scheme being extended to 31 December 2016. The cost included in the profit or loss was N72.3 million. All qualifying staff were paid with the outstanding balance of N8.5 million due to staff that were yet to be paid as at year end.

In thousands of naira

Balance at 1 January	163,721	182,140
Charge for the year	79,284	-
Benefits paid	(234,474)	(18,419)
At 31 December 2017	8,531	163,721

	2017	2016
Balance at 1 January	163,721	182,140
Charge for the year	79,284	-
Benefits paid	(234,474)	(18,419)
At 31 December 2017	8,531	163,721

- (d) **Reconciliation of changes in trade and other payables included in statement of cash flows**

In thousands of naira

Movement in trade and other payables	(121,755)	49,472
Unrealised exchange loss	(2,605)	-
Accrued additions to PPE (Note 11(g))	-	(7,400)
Changes in trade and other payables per statement of cash flows	(124,360)	42,072

	2017	2016
Movement in trade and other payables	(121,755)	49,472
Unrealised exchange loss	(2,605)	-
Accrued additions to PPE (Note 11(g))	-	(7,400)
Changes in trade and other payables per statement of cash flows	(124,360)	42,072



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22 Deferred income

Deferred income comprises:

In thousands of naira

Government grants
Advance rent income received

Non-current
Current

	2017	2016
Government grants	73,612	-
Advance rent income received	24,044	51,468
	97,656	51,468
Non-current	71,579	-
Current	26,077	51,468
	97,656	51,468

Government grant arises as a result of the benefit received from below-market-interest rate government-assisted loans (Bank of Industry loans) obtained to purchase items of machinery and equipment required to support the installation of the automated water base paint production plant. The production plant is under construction and the grant will be amortised on a systematic basis over the useful life of the production plant.

Due to the fact that the production plant is not yet available for use as at year end, there has been no unwinding of the government grant into profit or loss in current year.

23 Loans and borrowings

In thousands of naira

2017

Investment property development financing arrangement
Bank of Industry loan

	Non-current liabilities	Current liabilities	Total
Investment property development financing arrangement	90,014	4,528	94,542
Bank of Industry loan	290,807	68,907	359,714
	380,821	73,435	454,256

2016

Investment property development financing arrangement
Short term borrowings

	Non-current liabilities	Current liabilities	Total
Investment property development financing arrangement	122,281	1,781.00	124,062
Short term borrowings	-	3,802	3,802
	122,281	5,583	127,864

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 27.

(a) Terms and repayment schedule

In thousands of naira

(i) Bank of Industry loan
(ii) Development financing arrangement
(iii) Short term borrowings
Total interest-bearing loans

	2017				2016		
	Currency	Nominal interest rate	Year of maturity	Face Value	Carrying amount	Face Value	Carrying amount
(i) Bank of Industry loan	NGN	10%	2023	436,511	359,714	-	-
(ii) Development financing arrangement	NGN	-	2025	-	94,542	-	124,062
(iii) Short term borrowings	NGN	4%	2017	-	-	3,802	3,802
Total interest-bearing loans				436,511	454,256	3,802	127,864


i) Bank of Industry Loan

The loan is a Central Bank of Nigeria (CBN) intervention fund through Bank of Industry (BOI), and is secured through a "duly executed Negative Pledge" (Bank Guarantee) in favour of Fidelity Bank Plc. The applicable interest rate is 10% per annum subject to review by the BOI in line with the prevailing market conditions. The loan is repayable in seventy monthly instalments (including twelve months moratorium between March 2017 to February 2018) at various dates between March 2018 to January 2023.

A sum of N74 million (2016: Nil) is recognised as government grant, being the difference between the low contract interest rate and the fair value measurement using an effective market interest rate of 21%. This amount has been treated as deferred income. As at 31 December 2017, interest expense of N55 million (2016: Nil) accrued on the facility was also capitalised to capital work-in progress (Note 11(e)).

ii) Investment property development financing arrangement

The Company engaged the services of Gauge Construction Servicing Limited ("the Contractor") for the construction, development and management of the Berger Paints Plaza based on a Memorandum of Understanding dated 20 March 2012. The consideration for the investment property development financing arrangement and the services provided by the Contractor is 50% of the rental collections in respect of the property, after the deduction of expenses incurred in the management of the property, for a period of 12 years from 1 November 2013 to 31 October 2025. The consideration is deemed to be the full and final satisfaction of all fees and money due to the contractor in respect of the arrangement. Accordingly, the Company's obligation to the Contractor is measured at amortised cost using the effective interest method and based on the estimated cashflows specified above.

The Company determines the repayment cash flows by estimating the occupancy, rentals and the expected collections in respect of operating leases of the trade shops and offices available for commercial rent over the remaining period.

(iii) Short term borrowings

These represent ex-staff members' entitlements which were converted to loans at an interest rate of 4%. The loans are inclusive of the accrued interest at the end of the reporting period. This amount was paid during the year.

(b) Movement in loans and borrowings

	2017	2016
Balance, beginning of year	127,864	124,062
Additions during the year	349,748	3,802
Repayments	(57,332)	-
Interest accrued	33,976	-
Balance, end of year	454,256	127,864

24 Dividends

The following dividends were declared and paid by the Company for the year.

	Per share (kobo)	2017 N'000	Per share (kobo)	2016 N'000
Dividend	50	144,912	75	217,368

This represents the dividend proposed for the preceding year, but declared in the current year

25 Dividend payable

In thousands of naira

	2017	2016
At 1 January	325,452	270,568
Declared dividend	144,912	217,368
Payments	(149,237)	(162,484)
At 31 December 2017	321,127	325,452



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26 Related Parties

Related parties include the Company's shareholders, directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

A. Transactions with key management personnel

- i) Key management personnel compensation
Key management personnel compensation comprised the following:

In thousands of naira

Short-term benefits
Post employment benefits

	2017	2016
Short-term benefits	112,394	99,333
Post employment benefits	4,779	9,605
	-	-
	117,173	108,938

- ii) Key management personnel transactions

Directors of the Company control about 2% of the voting shares of the Company. A number of key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies.

A number of these companies transacted with the Company during the year. The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, in similar transactions with non-key management personnel related companies on an arm's length basis.

The aggregate value of transactions and outstanding balances related to key management personnel and entities over which they have control or significant influence were as follows.

<i>In thousands of naira</i>	Transaction values for the		Balance outstanding as	
	year ended 31 December		at 31 December	
Transaction	2017	2016	2017	2016
Supply of raw materials*	43,217	130,560	5,682	24,998
Supply of raw materials**	22,278	8,906	-	8,906
Rental income*	-	2,842	-	-
Recruitment services***	1,176	3,549	-	1,029
Registrar's fees****	4,855	3,780	5,750	945

* During the year, the Company bought various raw materials from Emychem Nigeria. Additionally, a portion of residential apartment rented at Wemabod Estate was sub-leased to Emychem. The Managing Director of Emychem is Mr. Raj Mangtani who is also a non-executive director on the Board of Directors of Berger Paints Nigeria Plc. Amounts were billed based on normal market rates for such supplies and were due and payable under normal payment terms.



** The Company bought various raw materials from Clayton Finance Limited. The Managing Director of Clayton is Mr. Sanjay Datwani who is also a non-executive director on the Board of Directors of Berger Paints Nigeria Plc. Amounts were billed based on normal market rates for such supplies and were due and payable under normal payment terms.

*** The Company engaged the services of Excel Professional Services Limited for the recruitment of certain management staff during the year. The Managing Director of the company is Dr. Oladimeji Alo, and he is also the chairman of the Board of Directors of Berger Paints Nigeria Plc. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms.

**** Meristem Registrars and Probate Services Limited acts as the Registrars for the Company. The Group Managing Director of the company is Mr. Oluwole Abegunde, and he is also a non-executive director on the Board of Directors of Berger Paints Nigeria Plc.

B. Other related party transactions

The Company incorporated a wholly owned subsidiary in Ghana, Lewis Berger Ghana Limited, on 23 October 2013. As at 31 December 2017, the subsidiary is dormant and had not commenced operations. The Company has not prepared consolidated financial statements on the account of materiality.

27 Financial instruments – Fair values and financial risk management

(a) Classification of financial instruments and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

2017

In thousands of naira

	Carrying Amount		Fair value		
	Loans and receivables	Available-for-sale financial assets	Level 1	Level 2	Total
<i>Financial assets not measured at fair value</i>					
Trade and other receivables	175,390	-			
Cash and cash equivalents	755,747	-			
	931,137	-			
<i>Financial liabilities not measured at fair value</i>					
Loans and borrowings	454,256	-	-	481,724	481,724
Trade and other payables*	432,071	-			
Dividend payable	321,127	-			
	1,207,454	-			



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31 December 2016

Financial assets measured at fair value

Available-for-sale Investments

- Equity	-	161	161	-	161
- Treasury bills	-	140,651	140,651	-	140,651
- Money market instruments	-	46,325	-	46,325	46,325

Financial assets not measured at fair value

Trade and other receivables

381,029

-

Cash and cash equivalents

486,949

-

867,978

187,137

Financial liabilities not measured at fair value

Loans and borrowings

127,864

-

-

127,864

127,864

Trade and other payables*

586,624

-

Dividend payable

325,452

-

1,039,940

-

*Trade and other payables excludes statutory deductions such as Value Added Tax, Withholding Tax, PAYE, Pension and other non-income taxes payable.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise treasury bills classified as available for sale.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- (i) quoted market prices or dealer quotes for similar instruments;
- (ii) other techniques, such as discounted cash flow analysis, sales prices of comparable properties in close proximity, are used to determine fair value for the remaining financial instruments.



(b) Financial risk management

Overview

The Company has exposure to the following risks arising from financial instrument

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

(I) Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Strategy and Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit Committee is assisted in its oversight role by the Internal Audit Function, outsourced to Bamidele Daramola & Co. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii) Credit risk

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

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

In thousands of naira

Trade and other receivables
Cash and cash equivalents (excluding cash at hand)
Available for sale financial assets

	2017	2016
Trade and other receivables	175,390	381,029
Cash and cash equivalents (excluding cash at hand)	755,642	486,757
Available for sale financial assets	-	187,137
	931,032	1,054,923



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Trade and other receivables

In thousands of naira

Trade receivables
Deposit with company registrar
Other receivables

	2017	2016
Trade receivables	67,546	111,537
Deposit with company registrar	46,400	160,369
Other receivables	61,444	109,123
	175,390	381,029

(a) Trade receivables

The Company's exposure to credit risk in respect of trade receivables is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings when available, and in some cases bank references. Credit sales limits are established for each customer and are reviewed regularly. The concentration of credit risk is limited due to the large and unrelated customer base. The Company has pledged no trade receivables during the year.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

Concentration of risk

At 31 December 2017, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows;

In thousands of naira

Wholesale customers
Retail customers
Other

	Carrying amount	
	2017	2016
Wholesale customers	3,478	1,800
Retail customers	116,882	153,274
Other	22,766	49,245
	143,126	204,319

At 31 December 2017, the ageing of trade receivables that were not impaired was as follows:

In thousands of naira

Neither past due nor impaired
Past due 1–90 days
Past due 91–180 days
Over 180 days

	2017			2016		
	Gross	Impairment	Net	Gross	Impairment	Net
Neither past due nor impaired	-	-	-	81,133	-	81,133
Past due 1–90 days	17,632	-	17,632	21,431	-	21,431
Past due 91–180 days	103,875	(53,961)	49,914	5,375	-	5,375
Over 180 days	21,619	(21,619)	-	96,380	(92,782)	3,598
	143,126	(75,580)	67,546	204,319	(92,782)	111,537

The Company does not hold collateral on these balances. The company believes that the unimpaired amounts that are past due are still collectible in full based on historic payment behaviour and analysis of customer credit risk.

**(b) Deposit with Company's Registrar**

This represents amounts held with the Company Registrar in respect of payments of declared dividends to shareholders on behalf of the Company. This represents the Company's maximum credit exposure to the financial asset. The Company's registrar is Meristem Registrars Limited, which has a history of reputable ratings. Based on past experience, the Company has not incurred impairment loss in respect of the deposits with the Company's Registrar as the amount is deemed recoverable.

(c) Other receivables

This mainly represents the rent receivable on the operating leases of the Company's properties. The Company believes that the amount is collectible based on subsequent payments made by the counterparty and credit worthiness. Other components of other receivables include staff debtors and accrued income which are deemed recoverable based on historical payment behaviours and subsequent collections.

Consequently, the Company has not incurred impairment loss in respect of other receivables.

The Company believes that the amount is collectible based on subsequent payments made by the counterparty and credit worthiness. Other components of other receivables include staff debtors and accrued income which are deemed recoverable based on historical payment behaviours and subsequent collections.

Consequently, the Company has not incurred impairment loss in respect of other receivables.

Cash and cash equivalents:

The Company held cash and cash equivalents of N756 million at 31 December 2017 (2016: N486 million), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with reputable commercial banks.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses standard costing to cost its products, which assist it in monitoring cash flow requirements and optimizing its cash return on investments. The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

Contractual cash flows							
Carrying Amount	Total	6 months or less	6-12 months	1 – 2 years	2 – 5 years	More than 5 years	
Trade and other payables*	454,256	454,256	29,793	74,483	178,752	148,972	22,256
	432,071	432,071	432,071	-	-	-	-
	321,127	321,127	321,127	-	-	-	-
	1,207,454	1,207,454	782,991	74,483.00	178,752	148,972	22,256

Contractual cash flows							
Carrying Amount	Total	6 months or less	6-12 months	1 – 2 years	2 – 5 years	More than 5 years	
Trade and other payables*	127,864	127,864	3,802	-	39,383	33,179	51,500
	586,624	586,624	586,624	-	-	-	-
	325,452	325,452	325,452	-	-	-	-
	1,039,940	1,039,940	915,878	-	39,383	33,179	51,500

*Trade and other payables excludes statutory deductions such as Value Added Tax, Withholding Tax, PAYE, Pension and other non income taxes payable. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing returns.



1. Currency risk

The Company is exposed to currency risk on purchases that are denominated in a currency other than the functional currency of the Company. The functional currency of the Company is primarily the Naira. The currencies in which these transactions are primarily denominated are Naira (N), Euro (€), US Dollars (US\$) and Pounds Sterling (GBP). The currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate due to the changes in foreign exchange rates.

The Company's policy is to ensure that its net exposure in respect of monetary assets and liabilities denominated in foreign currencies are kept to an acceptable level. The Company monitors the movement in foreign currencies on an ongoing basis and takes appropriate actions as necessary.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk is as follows:

2017			2016		
US\$	€	GBP	US\$	€	GBP
54,700	1,221	356	34,994	1,643	356

Cash and cash equivalents

The following significant exchange rates were applied:

	Average rate during the year		Year end spot rate	
	2017	2016	2017	2016
<i>Naira</i>				
US\$ 1	332.40	253.02	360.00	305.00
€ 1	376.60	278.46	432.30	322.11
GBP 1	429.10	341.35	487.00	375.18

A reasonably possible strengthening / (weakening) of the naira against all other currencies at 31 December 2017 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest and inflation rates, remain constant and ignores any impact of forecast purchases.

In thousands of Naira

2017

US\$ (5% movement)

€ (5% movement)

GBP (5% movement)

2016

US\$ (20% movement)

€ (20% movement)

GBP (20% movement)

	Profit or loss	
	Strengthening	Weakening
	985	(985)
	26	(26)
	9	(9)
	2,135	(2,135)
	106	(106)
	27	(27)



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. Interest rate risk

The Company adopts a policy of ensuring that all its interest rate risk exposure is at fixed rate. This is achieved by entering into fixed rate instruments.

Interest rate risk comprises interest price risk that results from borrowings at fixed rates and the interest cashflow risk that results from borrowings at variable rates. The Board of Directors is responsible for setting the overall duration and interest management targets. The Company's objective is to manage its interest rate exposure through careful borrowing profiling and use of heterogeneous borrowing sources.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

Fixed rate instruments

In thousands of naira

Financial liabilities:

Short term borrowings

Long term borrowing

	Normal amount	
	2017	2016
	73,435	5,583
	380,821	122,281
	454,256	127,864

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Company does not have any variable rate financial assets and liabilities as at the end of the year (2016: Nil).

(c) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. This is done by using a ratio of adjusted net debt to adjusted equity. Adjusted net debt has been defined as total liabilities, comprising loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at 31st December 2017 was as follows.

In thousands of naira

Total liabilities

Less: Cash and Cash equivalents

Adjusted net debt

Total Equity

Net debt to equity ratio

	2017	2016
	1,670,280	1,498,084
	(755,747)	(486,949)
	914,533	1,011,135
	2,641,145	2,604,181
	0.35	0.39

28 Operating leases

The Company leases out its investment property (see Note 12)

a. Future minimum lease payments

At 31 December, the future minimum lease payments under non-cancellable leases are receivable as

In thousands of naira

Less than one year

Between one and five years

	2017	2016
	53,478	41,366
	22,483	28,400
	75,961	69,766

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)



- b. Amounts recognised in profit or loss
Investment property rentals of ₦48 million for the year ended 31 December, 2017 (2016: ₦56 million) was included in Revenue' (see Note 4). Depreciation expense on the investment property was included in 'Cost of sales' (see Note 7 and 12).

29 Provision of Non-audit Services

The details of non-audit services and the applicable fees paid during the year ended 31 December 2017 were:

Description of Non-audit Services	Fee Paid
<i>In thousands of naira</i>	N
i. Tax services	1,500
ii. Transfer pricing advisory services	4,200

30 Contingencies

The Directors are of the opinion that all contingencies and other financial commitments have been taken into account in the preparation of these financial statements. There were no pending litigations or claims involving the Company as at year end (2016: Contingent asset of ₦501 million).

31 Subsequent events

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Company as at 31 December 2017 that have not been adequately provided for or disclosed in the financial statements.

32 Operating segments

a. Basis of segmentation

The Company has three reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different process and marketing strategies. For each of the strategic business units, the Company's Management Committee review internal management reports on a weekly basis. The following summary describes the operations in each of the Company's reportable segments:

Reportable segments	Operations
Paints and allied products	Manufacturing, distributing and selling of paints and allied products
Contract revenue	Rendering of painting services
Investment property rental income	Investment property rentals

The accounting policies of the reportable segments are the same as described in Notes 3.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Company's Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

b. Information about reportable segments

In thousands of naira

	Paints and allied products	Contract revenue	Investment property rental income	Unallocated	Total
2017					
External revenues	2,994,490	49,500	48,454	-	3,092,444
Finance income	-	-	-	29,888	29,888
Finance costs	-	-	(17,861)	(12,095)	(29,956)
Depreciation & amortization	(90,872)	(1,502)	(21,297)	-	(113,671)
Impairment loss on trade receivables	(6,892)	-	-	-	(6,892)
Reportable segment profit before tax	275,672	24,600	9,296	-	309,568



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	Paints and allied products	Contract revenue	Investment property rental income	Unallocated	Total
2016					
External revenues	2,493,395	52,476	56,953	-	2,602,824
Finance income	-	-	-	28,365	28,365
Finance costs	-	-	(34,246)	(666)	(34,912)
Depreciation	(83,324)	(1,754)	(21,565)	-	(106,643)
Impairment loss on trade receivables	(6,243)	-	-	-	(6,243)
Reportable segment profit before tax	205,579	37,350	1,142	-	244,071

Assets and liabilities by reportable segments are not presented to the Chief Operating Decision Maker (Management Committee) on a regular basis. Therefore, information on segment assets and liabilities has not been presented.

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities and other material items

Revenues

There are no significant reconciling items between the reportable segment revenue and revenue for the year.

Profit or loss

In thousands of naira

	2017	2016
Total profit or loss for reportable segments	309,568	244,071
Unallocated finance income	29,888	28,365
Unallocated finance costs	(12,095)	(666)
Profit before taxation	327,361	271,770

Other material items

There are no significant reconciling items between other material items for the reportable segments and Company total.

Major customer

Revenue from one customer does not represent up to 10% of the Company's total revenue. Therefore, information on major customers is not presented.

*We play,
You listen*



...the sound of colour is our music.



OTHER NATIONAL DISCLOSURES



VALUE ADDED STATEMENT

For the year ended 31 December 2017

In thousands of naira

	2017	%	2016	%
Sales	3,092,445		2,602,824	
Other income	183,441		235,466	
	3,275,886		2,838,290	
Bought in materials and services				
- Imported	(311,134)		(203,418)	
- Local	(1,960,234)		(1,724,676)	
Value added	1,004,518	100	910,196	100
Distribution of value added				
To Employees:				
Employee benefit expenses	588,231	59	566,695	62
To Providers of Finance:				
Interest on loans	(29,956)	(3)	(34,912)	(4)
To Government:				
Income tax	32,437	3	60,546	7
Retained in the business as:				
Depreciation and amortisation	106,787	11	106,643	12
Deferred taxation	60,743	6	(12,783)	(1)
To augment reserves	246,276	25	224,007	25
	1,004,518	100	910,196	100

Value added is wealth created by the efforts of the Company and its employees and its allocation between employees, shareholders, government and re-investment for the creation of future wealth.

5 YEAR FINANCIAL SUMMARY



In thousands of naira

	2017	2016	2015	2014	2013
Funds employed					
Share capital	144,912	144,912	144,912	144,912	144,912
Share premium	635,074	635,074	635,074	635,074	635,074
Fair value reserve	-	64,400	54,188	39,636	30,283
Retained earnings	1,861,159	1,759,795	1,753,156	1,640,208	1,665,988
Shareholder's fund	2,641,145	2,604,181	2,587,330	2,459,830	2,476,257
Current liabilities	1,080,533	1,306,347	1,143,703	816,531	798,623
Long term liabilities	589,747	191,737	164,837	363,784	352,718
	4,311,424	4,102,265	3,895,870	3,640,145	3,627,598
Assets employed					
Non current assets	2,729,446	2,541,572	1,727,602	1,564,445	1,587,220
Current assets	1,581,978	1,560,693	2,168,268	2,075,700	2,040,378
	4,311,424	4,102,265	3,895,870	3,640,145	3,627,598
<i>In thousands of naira</i>					
	2017	2016	2015	2014	2013
Revenue	3,092,445	2,602,824	3,022,264	3,082,930	2,710,986
Profit before income tax	339,456	271,770	565,212	249,258	342,767
Profit for the year	246,276	224,007	330,316	148,808	257,580
Other comprehensive income, net of tax	18,974	10,212	14,552	33,026	66,605
Declared dividend	144,912	217,368	217,368	202,876	152,157
Per 50k share data:					
Basic and diluted earnings per share (kobo)	85	77	114	51	89
Declared dividend per share (kobo)	50	75	75	70	52
Net assets per share (kobo)	9	9	9	8	9



SHAREHOLDERS' INFORMATION

SUBSTANTIAL INTEREST IN SHARES

- The Registrars have confirmed that according to the Register of Members, the following shareholders held 5% and above of the issued share capital of the Company as at 31st December, 2017.

S/N	Name	Holding	%
1	Harmony Trust & Inv Co. Ltd	16,650,326	5.74
2	Mikeade Investments Co.Ltd	19,235,473	6.64
3	Cab (Overseas Holdings) Limited	32,631,012	11.26
4	Other Individuals and Institutions	221,306,636	76.36
	Total	289,823,447	100

- Active Shareholding Analysis as at 31stDecember, 2017

Range	No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1 - 1,000	14,730	41.53%	14,730	6,988,644	2.41%	6,988,644
1,001 - 5,000	16,506	46.54%	31,236	31,720,614	10.94%	38,709,258
5,001 - 10,000	2,211	6.23%	33,447	15,521,523	5.36%	54,230,781
10,001 - 50,000	1,616	4.56%	35,063	32,092,050	11.07%	86,322,831
50,001 - 100,000	197	0.56%	35,260	14,294,663	4.93%	100,617,494
100,001 - 500,000	156	0.44%	35,416	30,704,909	10.59%	131,322,403
500,001 - 1,000,000	26	0.07%	35,442	18,006,191	6.21%	149,328,594
1,000,001 - 5,000,000	16	0.05%	35,458	32,057,134	11.06%	181,385,728
5,000,001 - 10,000,000	1	0.00%	35,459	7,919,970	2.73%	189,305,698
10,000,001 - ABOVE	6	0.02%	35,465	100,517,749	34.68%	289,823,447
TOTAL	35,465	100 %	n/a	289,823,447	100.00%	N/A



DIVIDEND HISTORY

Members are hereby informed that Berger Paints Nigeria Plc. declared the following dividends between 1995 and 2017.

Payment No.	Type	Date Declared
22	Final	6/7/1995
23	Final	6/4/1996
24	Final	6/3/1997
25	Final	6/2/1998
26	Final	6/1/1999
27	Final	6/6/2000
28	Final	6/5/2001
29	Final	6/4/2002
30	Final	6/3/2003
31	Final	6/2/2004
32	Final	6/8/2005
33	Final	6/16/2009
34	Final	6/8/2010
35	Final	6/30/2011
36	Final	7/3/2012
37	Final	5/14/2013
38	Final	7/22/2014
39	Final	7/21/2015
40	Final	6/9/2016
41	Final	5/18/2017

UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Notice is hereby given to our shareholders that some dividends have remained unclaimed as the registrars' records indicate. Many share certificates have also been returned as unclaimed because the addresses on them could not be traced or the shareholders had changed their addresses without informing the registrars.

The affected shareholders are requested to contact Meristem Registrars, who have informed us that they are e-dividend payment ready. Shareholders are kindly requested to take advantage of this to reduce the unclaimed dividend problems and in accordance with the directive from the Securities and Exchange Commission.

For more information please contact:

Meristem Registrars and Probate Services Limited,
 213, Herbert Macaulay Way,
 Adekunle Yaba, Lagos.
 P.O. Box 51585, Ikoyi, Lagos.
 Phone: 01-8920491-2, 0700MERIREG
 Email: info@meristemregistrars.com
 Website: www.meristemregistrars.com



SHAREHOLDERS' INFORMATION (CONT'D)

SCHEDULE OF UNCLAIMED DIVIDEND

S/N	Dividend Payment No	Date Declared	Payment Date	Type	Amount Declared (N)	Dividend Per Share (N)	Unclaimed Dividend (N)
1	33	6/16/2009	6/17/2009	Final	65,210,275.50	30K	9,606,286.31
2	34	6/8/2010	6/9/2010	Final	108,683,792.50	50K	18,289,717.27
3	35	6/30/2011	7/4/2011	Final	152,157,309.50	70K	43,794,148.59
4	36	7/3/2012	7/4/2012	Final	152,157,309.50	70K	28,742,568.84
5	37	5/14/2013	5/21/2013	Final	152,157,309.50	70K	47,304,605.43
6	38	7/22/2014	7/22/2014	Final	202,876,412.90	70K	33,955,007.01
7	39	7/21/2015	7/23/2015	Final	217,367,585.25	75K	38,593,999.57
8	40	6/9/2016	6/13/2016	Final	217,367,585.25	75K	50,890,042.78
9	41	5/18/2017	5/23/2017	Final	144,911,723.50	50K	32,101,965.70

SHAREHOLDERS' INFORMATION

The share capitalization history of the Company is as shown below. As at 31st December, 2017 our authorized share capital was N400,000,000, divided into 800,000,000 shares of 50 kobo each. Of this, our issued and paid up share capital is N144,911,724 divided into 289,823,447 shares.

Date	Authorised Shares		Issued and Fully Paid Shares		Consideration
	Value (N)	Shares	Value (N)	Share	
1/9/1959	500,000	500,000	-	--	Initial share capital
4/27/1961	500,000	500,000	50,000	50,000	Goodwill
2/10/1962	500,000	500,000	437,514	427,514	cash
6/27/1972	1,600,000	3,200,000	427,514	875,028	Increase in authorized share capital
8/1/1972	1,600,000	3,200,000	531,514	1,063,028	Asset purchased
12/21/1972	1,600,000	3,200,000	863,704	1,727,408	Bonus(2:3)
5/25/1976	6,000,000	12,000,000	863,704	1,727,408	Increase in authorized share capital
5/27/1980	7,200,000	14,400,000	7,200,000	14,400,000	Bonus(1:2)
6/12/1986	10,800,000	21,600,000	10,800,000	21,600,000	Bonus(1:2)
5/30/1989	16,200,000	32,400,000	16,200,000	32,400,000	Bonus(1:2)
5/29/1990	21,600,000	43,200,000	21,600,000	43,200,000	Cash
5/27/1992	38,200,000	116,400,000	36,600,000	73,200,000	cash
5/7/1995	76,500,000	153,000,000	54,900,000	109,800,000	Bonus (1:2)
6/1/1999	109,800,000	219,600,000	94,382,467	188,764,934	Rights Issue (1:3)
6/1/1999	109,800,000	219,600,000	94,382,467	188,764,934	Public Offer
6/5/2001	109,800,000	219,600,000	108,683,793	217,367,585	Bonus (1:7)
6/1/2004	160,000,000	320,000,000	108,683,793	217,367,585	Increase in authorized share capital
7/8/2008	400,000,000	800,000,000	108,683,793	217,367,585	Increase in authorized share capital
11/18/2013	400,000,000	800,000,000	144,911,724	289,823,447	Rights Issue (1:3)



CONSOLIDATION OF ACCOUNTS

Dear Shareholders:

Records with our Registrars and as revealed by the Register of Members show that some members have more than one accounts in their names. This situation may have arisen as a result of multiple applications made during new issues or as a result of purchases made through the Stock Market. Servicing these accounts is a huge administrative problem resulting in avoidable costs e.g. postages, maintenance, issuance of certificates, etc. These ultimately have an impact on the profit of your Company.

The Company appeals to you to make efforts to consolidate your multiple accounts, more especially to facilitate the operations and to save the Company costs. We ask for your co-operation in this respect. Please complete the Consolidation Request Form below and send it to the Registrars, Meristem Registrars and Probate Services Limited.

Kindly state in your request for consolidation the names/addresses of those persons you bought shares for during any public offers by the Company and at the secondary market besides yourself.e. your children, grandchildren, etc. Certificates should not be forwarded.

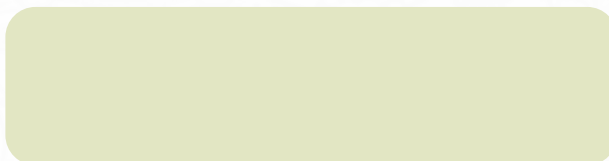
Tear off from here

CONSOLIDATION OF ACCOUNTS FORMS

SN	Name	Address	Units of Shares	Cert. No.	A/C No.	Date Issued
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Shareholder's Signature: _____ Date: _____

Affix Postage Stamp





CSR/CORPORATE EVENTS DURING THE YEAR



2017 Employee Health and Safety Week



Outsourced Business Partners during the Outsourced Business Partner Forum in October 2017.



Shareholders during the Pre-AGM Forum, May 2017

CSR/CORPORATE EVENTS DURING THE YEAR (CONT'D)



Donation of Food Items to Heritage Orphanage Home, Anthony Village in December 2017 to celebrate the Yuletide season with the children.



University Of Lagos Teenager Camp Students during their Educational Tour to the Company in August 2017.



Lagos State Chamber of Commerce of Industry (LCCI) Industrial Group visit to the company in July 2017.



Donation of Food Items to Little Saints Orphanage, Palmgroove in December 2017 to celebrate the yuletide season with the children



Presentation of an award to Berger Paints Nig.Plc as the Best Paints Manufacturer in West Africa by the West Africa Innovation Award Project Manager, Mr. Adeniyi Olusola and His Co- Organizers in June 2017.



OUTSOURCED BUSINESS PARTNERS

SN	Location	Name	Address	Phone
1.	Aba	Agba Akin Enterprise	128 Aba Owerri Road, beside Kemjika Filling Station, Abia State	08037217402
2.	Abeokuta	Tomitz Integrated Service Ltd	Laffro House, beside Hassan Furniture, Moshood Abiola Way, Abeokuta, Ogun State.	08077423937, 08158867617
3.	Abuja 1	Khafadez Resources Ltd.	6, Alexandria Crescent, Wuse II, Beside Berger Plaza, F.C.T. Abuja	07031720041
4.	Abuja 2	Khafadez Resources Ltd.	Barrister Place, Tomato Junction, Deldel, Abuja FCT	07031779332, 07031720041
5.	Abuja 3- Garki	Luvii Nig. Ltd.	Keana House, 3, Lagos Crescent, Garki 2 FCT, Abuja	09062099920
6.	Agbor	De-Ama Ventures	Imafionia Plaza, 203 Old Lagos-Asaba Road by Owa-Ekei Junction, Boji-Boji, Owa Agbor, Delta State.	09031611023, 09026636900
7.	Akure	HHB Ventures Ltd	102 Oyemekun Rd, Opposite Oyemekun Grammar School Akure	07031720051
8.	Asaba	De Ama Ventures	No. 379, Nnebisi Road, Asaba, Delta State	09062099917
9.	Awka	Synopsis Global Network Ltd	KM 20 Enugu/Onitsha Express Road, opposite Crunches Eatery, Unizik Junction, Awka	09062099919
10.	Bauchi	Gimex Ltd	Shop 40 & 41 Powa Shopping Complex Along Dass Road, Yewa, Bauchi, Bauchi State.	07057311237, 08037324100
11.	Benin	Tesan Technical	134, Murtala Mohammed Way, Benin City, Edo State	08035030263
12.	Calabar	Great AJFC Nig. Ltd.	14, Murtala Mohammed Way, Calabar	08033061825
13.	Calabar 2	Great AJFC Nig. Ltd.	Plot 214, First Avenue, state housing Estate, Calabar	08033061825
14.	Ekiti	Fomkab Ventures	11 Federal Housing Estate, Along Afao Road, Ado Ekiti	08068873214
15.	Enugu	Synopsis Global Network Ltd.	No. 33, Abakaliki Road, GRA, Enugu	09062099919
16.	Ibadan 1	Arigbamu Ogo	1, Azeez Aina Street, Off Ring Road, Ibadan	07031720043

OUTSOURCED BUSINESS PARTNERS (CONT'D)



17	Ibadan 2	Arigbamu Ogo Oluwa	Inside Debistol Oil, Olo pomeji Bus Stop, Opposite Wetlands Hotel, Akobo, Ibadan. Oyo State	07031720043
18	Ibadan 3	Arigbamu Ogo Oluwa	Abu Plaza, Elebu Market Road, Off Akala Express, Elebu Oluyole Extention, Ibadan	07031720043
19	Ilorin	Everstplus Limited	No 4 Ifelodun Street, Off Asa Dam Road, Offa Garage, Ilorin	07031720077
20	Jos	Splendid TSY Nig. Ltd.	1A, Constitution Hill Road, Opposite Pirelli Tyres. Jos, Plateau State	07031720046
21	Kaduna	De-Joescon Enterprise	1440, Kachia Road, Kaduna, Kaduna State	07031720045
22	Kano	Aikawa General Merchants	4, Ajasa Street, Off Civic Centre Road, Kano State	08131758058
23	Kano 2	Aikawa General Merchants	No 19 Murtala Mohammed Way, Kano State	08131758058
24	Lagos 1- Ikeja	Sowerscreed Ventures	102, Oba Akran Avenue, Ikeja Industrial Estate	08033030157
25	Lagos 2- Lekki/Ajah	Spinetti Multiservice Global Co. Ltd	KM 16, Lekki Epe Expressway Osapa London (Beside Skye Bank)	08096555115
26	Lagos 3 Ibeju/Epe	Ladii Ventures	KM 30, Lagos Epe Expressway Casla Estate, Abijo GRA	08172452822
27	Lagos 4- Lagos/Ibadan Express	Moyinson Ltd	Berger Place, Along Lagos-Ibadan Express Way, Beside Lagos State Accident & Emergency Office	07031343157
28	Lagos 5- Ikorodu	Forty40 Intl. Ltd.	No. 16, TOS Benson Road, Ebute Ikorodu, Lagos	09062099918
29	Lagos 6- Allen	Sowerscreed Ventures	91 Allen Avenue, Ikeja Lagos	08033030157
30	Lagos 7 - Festac	Sowerscreed Ventures	Plot 3, Block 18b Amuwo Odofin by Apple Junction, Lagos	08033030157
31	Maiduguri	Kawu Tijani & Sons Ltd.	105, Baga Road, Maiduguri, Borno State	08037012975
32	Makurdi 1	Hallowed International Ventures Ltd.	321 Road, off 3 rd Ave. Road, by 32 Crescent, Gwarinpa Cornershop, Gwarinpa Estate, Abuja	08036054493



OUTSOURCED BUSINESS PARTNERS (CONT'D)

34	Makurdi 2	Kennyken Fabrication Services Ltd.	Opposite Garden of Elden Modern Market Road, Makurdi, Benue State	07039255879
35	Minna	Khafadez Resources Ltd.	5M3, Ahmadu Bahago Plaza, Tunga, Minna	07031720041
36	Nasarawa	Khafadez Resources Ltd.	Pentagon Plaza, Bukan Sidi, Beside Investment House Jos Road, Lafia	07031720041
37	Nasarawa 2	Khafadez Resources Ltd.	Suite A001 Em mado Plaza, Sharp Corner ,Maraba ,Nasarawa State.	07031720041
38	Onitsha	Amor Dei West Africa	104, Akwa Road, Onitsha, Anambra State	08033138220
39	Onitsha 2	Amor Dei West Africa	KM 20 Enugu/Onitsha Express Road, Opposite Crunches Eatery, Unizik Junction, Awka.	08033138220
40	Onitsha 3	Amor Dei West Africa	No 35, Blossom Plaza, Onitsha Owerri Road Nnewi	08033138220
41	Oshogbo	H-Pola Foundation	Beside Iyana Camp, Opposite NNPC, Ota Efun, Ikirun Road, Oshogbo-Osun State	08139690055
42	Owerri	Lato Universal	51/65 Mbaise Road, by Wetheral/Fire Service Roundabout, Owerri	08034458797
43	Port Harcourt	Parttracker Ltd.	42 Old Aba Road by Artillery Junction, Port Harcourt	07031720047
44	Port Harcourt 2	Tesan Optimum	No 70, Ordinance Road, Trans - Amadi Industrial Layout, Port Harcourt, River State	08131758060
45	Sokoto	Sariking Nig. Ltd.	13, Ahmadu Bello Way, Sokoto	09062099921
46	Suleja	Splendid TSY Nig. Ltd.	Shop 8, Kwakwansh Plaza, Mandalla Road, Suleja, Niger State	07031720046, 08080058308
47	Uyo	Sal-Aadis Global Resources	No 51, Ikot Ekpene Road	08065260072
48	Warri	Tesan Technical	111, Warri-Effurun Road, Warri, Delta State	08035030263
49	Warri 2	Tesan Technical	Km 5, Refinery Road, Warri Delta State	08035030263
50	Warri 3	Tesan Technical	Km 2 Okpe Road, Osubi, Behind Victory Joe Filling Station, Delta State.	08035030263

MAJOR SUPPLIERS



1. Major Local Suppliers:

- | | |
|-------|---|
| 1.1. | Clayton Finance |
| 1.2. | DiafPilvad |
| 1.3. | Dow Chemical Imea Gmbh |
| 1.4. | Kadam Menon Color Cards |
| 1.5. | KCC Corporation |
| 1.6. | Lewis Berger Int. Supplies Ltd. |
| 1.7. | Lorama Group International Inc. |
| 1.8. | RAR Resin & Chemical Industries |
| 1.9. | The National Titanium Dioxide Co. Ltd (Crystal) |
| 1.10. | Zen FZE |

2. Major International Suppliers:

- | | | | |
|-------|---|-------|----------------------------------|
| 2.1. | Akrotech Integrated Services Ltd. | 2.17. | Nampak Nig. Plc. |
| 2.2. | Avon Crowncaps and Containers Nig. Plc. | 2.18. | Nycil Ltd. |
| 2.3. | Chizzy Nig. Ltd. | 2.19. | Onokeno Business Venture |
| 2.4. | Cormat Nig. Ltd. | 2.20. | Parco Enterprises Nig. Ltd. |
| 2.5. | C-Pin Industries Ltd. | 2.21. | Pastel Industries Ltd. |
| 2.6. | Dafe Industries Ltd. | 2.22. | Phobica Chemicals Ltd. |
| 2.7. | Emychem Ltd. | 2.23. | Regatta Industries Ltd. |
| 2.8. | Eurobridge Ind. Ltd. | 2.24. | Robinson Ventures Ltd. |
| 2.9. | Falcon Chemicals Ltd. | 2.25. | Samking Chemical Ltd. |
| 2.10. | GMAS | 2.26. | Sowis Energy Ltd. |
| 2.11. | Lexcel Products and Packaging Ltd. | 2.27. | Sudunni Nig. Ltd. |
| 2.12. | Magnum Coatings & Renova | 2.28. | Tata Africa Services (Nig.) Ltd. |
| 2.13. | Mega Plastics Ind. Ltd. | 2.29. | The Freedom Group Ltd. |
| 2.14. | Melvyn Nickson Nig. Ltd. | 2.30. | Trisa Nig. Ltd. |
| 2.15. | Metoxide (Nig.) Ltd. | 2.31. | Wahum Packaging Ltd. |
| 2.16. | Nagode Industries Ltd. | 2.32. | Whitex Industries (Nig.) Ltd. |



SUPPLY AND APPLY

Some of the Berger Paints recent projects



**Affix
Current
Passport**

(To be stamped by Bankers)

Write your name at the back of
your passport photograph



E-DIVIDEND MANDATE ACTIVATION FORM

Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below

Only Clearing Banks are acceptable

The Registrar

Meristem Registrars And Probate Services Limited
213, Herbert Macaulay Way
Adekunle-Yaba
Lagos State

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank account detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname/Company's Name First Name Other Names

Address:

City State Country

Previous Address (If address has changed)

CHN CSCS A/c No

Name of Stockbroker

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company Seal (If applicable)

Joint/Company's Signatories

TICK	NAME OF COMPANY	SHARE A/C NO
	ACAP INCOME FUND	
	AFRINVEST EQUITY FUND	
	BERGER PAINTS NIG PLC	
	CEAT FIXED INCOME FUND	
	CHELLARAMS BOND	
	CONOIL PLC	
	CONSOLIDATED HALLMARK INS. PLC	
	CUSTODIAN & ALLIED PLC	
	COVENANT SALT NIGERIA LIMITED	
	EMPLOYEE ENERGY LIMITED	
	ENERGY COMPANY OF NIGERIA PLC [ENCON]	
	eTRANZACT INTERNATIONAL PLC	
	FIDSON HEALTHCARE PLC	
	FOOD CONCEPTS PLC	
	FREE RANGE FARMS PLC	
	FTN COCOA PROCESSORS PLC	
	GEO-FLUIDS PLC	
	INTERNATIONAL ENERGY INSURANCE PLC	
	JUBILEE LIFE MORTGAGE BANK LTD	
	MAMA CASS RESTAURANTS LIMITED	
	MCN DIOCESE OF REMO	
	MCN LAGOS CENTRAL	
	MCN TAILORING FACTORY [NIGERIA] LIMITED	
	MULTI-TREX INTEGRATED FOODS PLC	
	MUTUAL BENEFITS ASSURANCE PLC	
	NASSARAWA STATE GOVT BOND	
	NASCON ALLIED INDUSTRIES PLC	
	NEIMETH INT'L PHARMS PLC	
	NEWREST ASL NIGERIA PLC	
	NIGER INSURANCE PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY [NMRC] PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY PLC [NMRC] BOND	
	ONWARD PAPER MILLS PLC	
	PACAM BALANCED FUND	
	PAINTS & COATINGS MANUFACTURERS NIG PLC	
	PROPERTYGATE DEVT. & INVEST. PLC	
	R.T. BRISCOE NIGERIA PLC	
	REGENCY ALLIANCE INSURANCE PLC	
	SMART PRODUCTS NIGERIA PLC	
	SOVEREIGN TRUST INSURANCE PLC	
	TANTALIZERS PLC	
	THOMAS WYATT PLC	
	VITAFOAM NIGERIA PLC	
	ZENITH EQUITY FUND	
	ZENITH ETHICAL FUND	
	ZENITH INCOME FUND	

Help Desk Telephone No/Contact Centre Information for Issue resolution or clarification: 01-2809250-4



Meristem Registrars And Probate Services Limited

Web: www.meristemregistrars.com; email: info@meristemregistrars.com

Mail to:

MERISTEM REGISTRARS AND
PROBATE SERVICES LIMITED
213, HERBERT MACAULAY WAY,
ADEKUNLE, YABA, LAGOS STATE.
P.O. BOX 51585, FALOMO, IKOYI,
LAGOS STATE



PROXY FORM

The 58th Annual General Meeting of Berger Paints Nigeria Plc. to be held at NECA Hall, Plot A2 Hakeem Balogun Street, Alausa, Ikeja, Lagos on Thursday June 7, 2018 at 11:00 a.m.

I/we

Being a member/members of Berger Paints Nigeria Plc. hereby appoint

or failing him the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday June 7, 2018 at 11:00 a.m.

Dated this day of 2018

Signature:

A member (shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote on a poll by proxy. This form has been prepared to enable you exercise your right to vote, in case you cannot personally attend the meeting.

Following the normal practice, the Chairman of the Meeting has been entered on the form to ensure that someone will be at the meeting to act as your proxy. But if you wish, you may state in the blank space, 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.

Please sign the form and post it to reach the Company's Registrars note less than 48 hours before the time of the meeting. If executed by a corporation, the proxy form should be sealed with the Common Seal. In the case of joint holders, the signature of either of them will suffice, but the names of all joint holders should be stated.

RESOLUTION	FOR	AGAINST
1. To declare a dividend of 50Kobo that is 50Kobo per share.		
2. To re-elect the following directors:		
Dr. Oladimeji Alo		
·Mr. Abi Ayida		
·Mr. Nelson Nweke		
3. To elect shareholders' representatives to the Audit Committee. A. B. C.		
4. To authorize the directors to fix the remuneration of the External Auditors		
5. To approve the remuneration of the Directors.		
6. To grant the Company a General Mandate pursuant to the NSE Rules.		

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.

Mail to:

MERISTEM REGISTRARS AND
PROBATE SERVICES LIMITED
213, HERBERT MACAULAY WAY,
ADEKUNLE, YABA, LAGOS STATE.
P.O. BOX 51585, FALOMO, IKOYI,
LAGOS STATE

ADMISSION FORM

Please tear off this part and retain for admission to the meeting



...enduring beauty and protection

BERGER PAINTS NIGERIA PLC. (RC1837)

58TH ANNUAL GENERAL MEETING **TO BE HELD ON THURSDAY JUNE 7, 2018 AT LAGOS 11:00A.M.**

Please admit _____ to the Annual General Meeting of Berger Paints Nigeria Plc., which will be held at NECA Hall, Plot A2 Hakeem Balogun Street, Alausa, Ikeja, Lagos on Thursday June 7, 2018 at 11:00 a.m.

Signature of person attending the meeting _____

IMPORTANT

- a) This admission form must be produced by the shareholder or his proxy in order to obtain entrance to the Annual General Meeting.
- b) Shareholders or their proxies are requested to sign the admission form before attending the meeting.

For the registrar's use only

No. of shares held _____

Oluseun Oluwole, FCIS
Company Secretary

Mail to:

MERISTEM REGISTRARS AND
PROBATE SERVICES LIMITED
213, HERBERT MACAULAY WAY,
ADEKUNLE, YABA, LAGOS STATE.
P.O. BOX 51585, FALOMO, IKOYI,
LAGOS STATE