resourcery

Solutions, Not just I.T.

2016 ANNUAL REPORT

contents

	Pages
Who We Are	2
Board of Directors	3
Corporate Information	4
Notice of Annual General Meeting	5
2015: The Year in Pictures	6
Chairman's Statement	7
Managing Director's Statement	9
Report of The Directors	11
Statement of Directors' Responsibilities	16
Report of the Audit Committee	17
Independent Auditors' Report	18
Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income	22
Consolidated and Separate Statement Of Financial Position	23
Consolidated and Separate Statement of Changes In Equity	
- Group	25
- Company	26
Consolidated And Separate Statement of Cash Flows	27
Notes to the Consolidated and Separate Financial Statements	28
Other National Disclosures	
Consolidated And Separate Statement of Value Added	88
Five- Year Financial Summary	
- Group	89
- Company	90

who WE are

Our Mission

We solve challenges, innovate solutions and optimize performance.

Our Vision

Africa's preferred provider of ICT solutions and an exciting place to work.

Our Essence

Solutions, not just I.T.

Brand Values

- Knowledge
- Relationships
- Execution
- Accountability
- Winning Spirit
- Collaboration

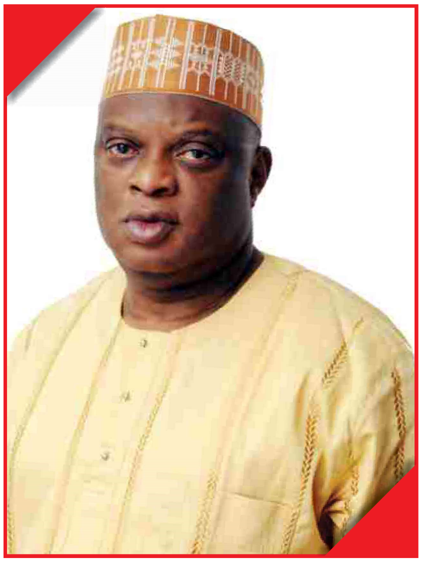
Our Brand Promises

- We deliver Quality
- We are Reliable
- We give Assurance
- We are Competent

The Resourcery Employee

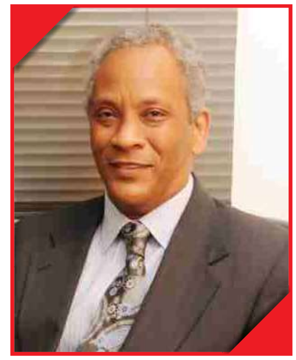
- Confident
- Probes
- Creative
- Diligent
- Knowledgeable
- Persuasive

BOARD OF DIRECTORS



TAYO AMUSAN
Chairman

ANDREW EJOH
Executive Director



MYRON B. FAFUNWA
Non Executive Director

AHMED SHUAIBU
Non Executive Director

TANI FAFUNWA
MD/CEO

UZO OBI
Executive Director

IKE ONYIA
Non Executive Director

CORPORATE INFORMATION

SECRETARY	Jackson Etti & Edu 3-5 Sinari Daranijo Street, Off Ajose Adeogun Street, Victoria Island, Lagos.
REGISTERED OFFICE	16-18 Adeola Hopewell Street, Victoria Island, Lagos.
REGISTRATION NUMBER	RC 70199
AUDITORS	Ernst & Young (Chartered Accountants) 10th and 13th Floor, UBA House 57, Marina, Lagos Tel: 01-4630479-80, Fax: 01-4630481 E-mail: services@ng.ey.com
PRINCIPAL BANKERS	Access Bank Plc Guaranty Trust Bank Plc Zenith Bank Plc Diamond Bank Plc Standard Chartered Bank Nigeria Limited First Bank of Nigeria Limited Ecobank Nigeria Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 27th Annual General Meeting of Resourcery Plc will hold at the Function Room, Muson Center, Onikan, Lagos on Tuesday, 19th of December 2017 at 10.00 am to transact the following business: -

ORDINARY BUSINESS: -

1. To receive and consider the Audited Financial Statements for the year ended 31 December 2016, the Reports of the Directors together with the Reports of the External Auditors and the Audit Committee thereon.
2. To elect/ re-elect Director(s) retiring by rotation.
3. To re-appoint the External Auditors.
4. To authorize Directors to fix the remuneration of the External Auditors.
5. To elect members of the Audit Committee.

SPECIAL BUSINESS: -

1. To consider and if thought fit pass with or without modification, the following ordinary resolution:
   "That the appointment of Mr. Ike Onyia as a Director be, and is hereby ratified."

BY ORDER OF THE BOARD

Jackson Etti & Edu
Secretaries
FRC/2013/NBA/00000003320

JACKSON, ETTI & EDU
Company Secretaries

Dated this 24th day of November, 2017

NOTES:

PROXY

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/ her stead. A proxy need not be a member of the Company. A blank Proxy Form is attached to the Annual Report. For an appointment to be valid, a completed and duly stamped proxy form must be deposited at the office of the Registrars, EDC Registrars, 154 Ikorodu Road, Onipanu, Somolu, Lagos not less than 48 hours before the time fixed for the Meeting.

CLOSURE OF REGISTER

The Register of Members of the Company will be closed on Monday 11th December 2017, for the purpose of preparing an up-to-date Register of Members.

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 or shareholder may nominate another shareholder as a member of the Audit Committee by giving written notice of such nomination to the Company Secretary, Jackson, Etti 6t Edu of 3-5 Sinari Daranijo Street, off Ajose Adeogun Street, Victoria Island, Lagos at least 21 (Twenty-One) days before the Annual General Meeting. The Security and Exchange Commission's Code of Corporate Governance has indicated that members of the Audit Committee should have basic financial literacy and be able to read financial statements. We would therefore request that nominations be accompanied with a copy of the nominee's Curriculum Vitae.

2015: THE YEAR IN PICTURES

Delegates of Resourcery Plc being presented with the 2016 BOICT 'ICT Business Integrator of the Year' Award by Chief Ernest Ndukwe, Former Chief Executive Officer of the Nigerian Communications Commission at the 2016 Beacon of ICT Awards

L-R: Sales Manager, Virtual Computing Environment (VCE) West Africa, Tosin Amusa; Managing Director, Resourcery Plc, Tani Fafunwa; VCE Regional Manager, Emerging Africa, Dave Rickson; VCE Channel Manager, Emerging Africa, Peter Nel; and Business Solution Manager, Computing Server and Storage for Resourcery Plc, Amechi Okonkwo at the 2015 VCE Gold Partnership Award presentation in Lagos

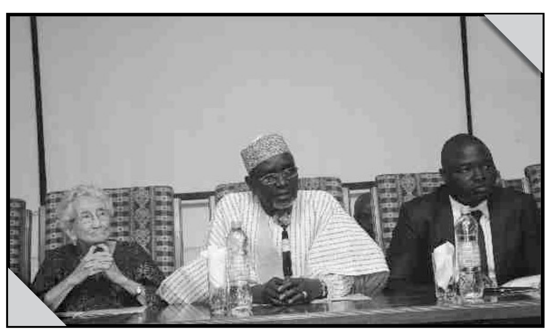
Students of the Nigerian Navy Secondary School, Ojo during their visit to Resourcery Plc

Chair Person, Board of Trustees, Fafunwa Educational Foundation, Chief Doris Fafunwa (middle) interacting with a guest at the 2015 Fafunwa Educational Foundation held in Lagos.

A cross section of Resourcery Plc. shareholders undergoing basic medical check-up at the 26th Annual General Meeting held in Lagos

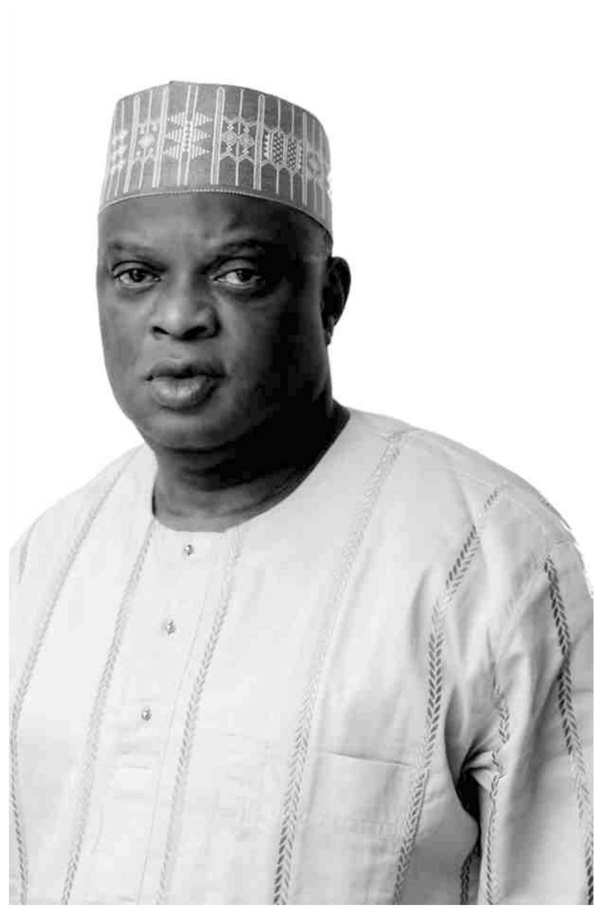
The Managing Director Resourcery Plc. Tani Fafunwa addressing distinguished shareholders of Resourcery Plc. during the 26th Annual General Meeting held in Lagos.

Resourcery Plc.'s exhibition stand at the 2016 Building Industry Consulting Service (BICSI) Nigeria Conference and Exhibition held in Lagos



L-R: Chair Person, Board of Trustees, Fafunwa Educational Foundation, Chief Doris Fafunwa; Chairman of the Occasion, Mallam Ibrahim Shekarau and Edo State Commissioner for Education, Washington Osifo during the 19th Annual Lecture of Fafunwa Educational Foundation being supported by Resourcery Plc.

CHAIRMAN'S STATEMENT



Introduction
Distinguished shareholders, representatives of the regulatory authorities, ladies and gentlemen, on behalf of our directors, management and staff, I welcome you all to the 27th Annual General Meeting of Resourcery Plc.

Let me start by commenting on key developments within the business environment during the financial year under review which had considerable impact on the company's performance.

The Business and Operating Environment
Not unexpectedly the consequence of the plunge in global prices of brent crude which averaged $99/pb in 2014 and fell to $52/pb in 2015 and then to $44/pb in 2016 were felt throughout the Nigerian business environment. The economy contracted, and the country fell into recession for the first time in two decades. The austere atmosphere was brought about by not only low oil prices but also reduced production due to pipeline disruptions. Additionally, inconsistent economic policies and deepening security problems in the north east and delta regions left the economy comatose and many businesses distraught. Overall for 2016, GDP contracted by -1.51 per cent.

There was a marked reduction in government revenues and spending throughout the year. The year also witnessed a severe scarcity in the supply of foreign exchange resulting in currency devaluation. The dollar exchanged at N490 towards the close of the year from N210 in the first quarter. Just as perturbing during the period were the multiple exchanges rates and the large divergence between the multiple exchange rates and the open market rate. The shortages in the foreign exchange market meant that many companies were unable to pay foreign suppliers for goods and services or had to do so at gravely expensive rates.

Economic activities were further negatively affected by the delay in the process of approval of the 2016 budget. The massive reduction in federal allocations to states and local governments also meant that many states were unable to pay salaries and local contractors leading to a general standstill. During the 2016 financial year, inflation soared to a six-year high of 15.6% in May 2016, the highest level since February 2010. The very high inflation rate, growing unemployment, reduced consumer spending and other debilitating economic factors negatively impacted the performance of businesses including that of Resourcery Plc in the 2016 financial year.

The impact of this extremely challenging operating environment is reflected in the loss recorded by the Company for the period under review. Although the performance of the Company has been challenging, the Board and Management of the Company are hopeful that the strategic initiatives that were implemented will yield positive results and return your company to the path of profitability in the coming years. We are keenly observing the measures being undertaken to turn the economy around and our strategies take cognizance of these policy measures to ensure we are better positioned to accelerate the return of our business to profitability.

Business Performance and Results:
The Company is still in the business of supply, installation and maintenance of communication, telecommunication and information technology systems.

The company faced difficult times during the year under review. Its customer base reduced their capital spending, and this reflected in our overall performance. For the Group, revenue dropped by 21% from N4.9bn in 2015 to N3.86bn in 2016. Operating costs reduced by 16% (excluding foreign exchange loss) and interest charges reduced by 47%. However, once again foreign exchange losses were high, up 9%, to N612.7m, following the change in the official rate from N199 in January to N305 in December 2016.

Despite the hostile economic climate, our Company continues to demonstrate leadership in systems integration in the Nigerian market and we continue to be the foremost provider of systems integration, networking and enterprise collaboration solutions in the West African market.

Dividend
The financial position of the company at the end of the year 2016 does not allow us to recommend a dividend for the year under review. The Board recognizes the importance of dividends to shareholders and over the coming years will do its best to turn the situation of the company around to enable it to make these payments.

Human Capital Development
Because we understand that our strength is our people in terms of skills, competence and commitment, many initiatives were undertaken for the continuous development of our staff. During the year under review, our company embarked on in-house and affordable training programs for Management and Staff to enhance their performance.

External Auditors
The Auditors, Messrs. Ernst & Young, have indicated their willingness to continue in office as the Company's Auditors in accordance with Section 351 of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria, 2004.

Board Changes
During the year under review, First Funds Limited's representation on the board witnessed a couple of changes. Mr. Damilola Olawoye was replaced by Mr. Pius Anyiador and thereafter he was replaced by Mr. Ike Onyia. We thank both Mr. Olawoye and Mr. Anyiador for their service and welcome Mr. Onyia to the board.

At the close of the financial year, Mr. Akanimo Ekong resigned his position as Executive Director of our company after serving meritoriously in various positions over a two-decade career with the company. Starting as a salesperson he worked his way up to Executive Director, People & Projects, responsible for both the technical delivery team and the back-office function including championing our corporate culture, supporting line management and ensuring employees are empowered, motivated and accountable. His contributions to the progress of the company will be referenced for years to come. On behalf of the board and all shareholders, I thank Mr. Akanimo Ekong for his service and wish him success in all his future endeavours.

Outlook for 2017
Events and happenings in the year 2016 defied popular predictions and analysis. From failed expert opinions on the US general elections that produced Donald Trump as the 45th US President to the surprising exit of Britain from the European Union. These events show how unpredictable the world can be. Back here at home and despite our challenges, there is the prospect for the nation's economic recovery if the government succeeds with the much-touted economic diversification. The Nation's revenue base should be in areas such as agriculture, solid minerals and the creation of an enabling environment for a knowledge-based economy.

The government should sustain the fragile peace in the Niger Delta region for improved oil production output. The prudent implementation of the 2017 budget, which has been premised on the 2017-2019 Medium Term Expenditure Framework (MTEF) and fiscal strategy is expected to leapfrog the nation's economic progress through substantial investments in infrastructural development.

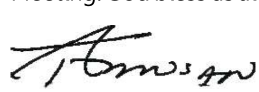
The company will continue to be proactive with its strategies to harness the resultant opportunities from various government reforms and improve the capacity to deliver better returns in the year 2017. However, caution around the results for 2017 is advised as the economic recovery is not yet fully underway.

Conclusion
Distinguished Shareholders, I will like to seize this opportunity to appreciate you all for your continued support to the Company over the years and for the faith and confidence you have reposed in the Board and management of the Company. Permit me to say that my fellow Directors, management and I recognize that the times are tough for the company from a performance perspective, however I assure you that the Board of Directors, management and all employees are commitment to return your company to a path of success and sustainable profitability.

I would like to express my appreciation to the staff, management and my colleagues on the Board for their commitment and service to our esteemed customers. We remain grateful for your loyalty.

Together we will create a brighter and better future.

Once again, I welcome you all to the 27th Annual General Meeting. God bless us all.



Tayo Amusan
Chairman, Board of Directors
Resourcery Plc

MANAGING DIRECTOR'S STATEMENT

Distinguished Shareholders, once again it is an honour to welcome you all to the 2016 Annual General Meeting of Resourcery. Kindly permit me to highlight some of the major developments both locally and internationally that influenced our operations before I proceed with the details of our business performance for the fiscal year ended 31st December 2016.

The impact of global oil market on the Nigerian business environment was pervasive. Nigeria's foreign exchange reserves dropped from $29.1bn in January 2016 to $25.7bn by the end of the year. The US dollar to naira exchange rate in the parallel market declined to an all-time low of about N520 to $1 at its peak. Meanwhile, the inflation figure breached double digits rising from 9% in 2015 to 18.5% in the outgoing period.

Investors' confidence remained low as the Nigerian stock market lost value for a third year in a row as it was down 6.2% for the year. The uncertainty built around foreign exchange availability, monetary policies coupled with some tough fiscal policies in the year further weakened investors' confidence.

The severe scarcity of foreign exchange towards the end of the year triggered the collapse of many import-dependent projects and even some companies. Some of our customers and competitors closed shop due to the harsh environment. Like many businesses we experienced weak demand for our capital intensive, dollar dependent products and solutions. This weakness in demand was also reported by many of the global manufactures we partner with in their Nigeria operations. Their distributors and our competitors also reported a tough operating environment.

In response we continued to cut costs. By reducing staff and not replacing departing staff and by looking for operational efficiencies where-ever we could find them we were able to cut operating costs by16% and interest charges by 47%. Despite the cost cutting our overall results were not good.

As a Group, sales dipped 21% to N3.86bn while the losses before tax were N794m driven by the worsening foreign exchange rate. The foreign exchange rate moved from N199 to N305 which pushed our foreign exchange losses to N612m for the year. The Group is currently experiencing a negative equity position. This has arisen primarily as a result of the foreign exchange loss of the last two years. We believe if the exchange rate remains stable and we reduce our foreign exchange exposure the negative equity challenge should be mitigated and managed. We are confident that as the operating and marketing environment improves we will see the effect of this in our future results.

As we move into 2017 we are hopeful for more clarity in the foreign exchange regime including; fewer official rates, better availability of dollars and a reduction in the disparity between the official and open market rate. However, as a foreign currency dependent business we also acknowledge that recovery will be slow as we wait for a turn-around in our customer's business who will then have the confidence and means to procure our goods and services.

Resourcery is still the best option for enterprises looking to find, move, keep and use data. We are the leader in designing building and supporting data, voice and video networks, data centers, data security solutions, private cloud infrastructure, business applications and a host of other IT solutions. We provide these solutions to our customers in all vertical markets and we are very appreciative of our loyal customer base. We expect our subsidiaries, which underperformed last year, to, at a minimum, break even in 2017 thereby reducing the drag on our group performance.

As always, I am grateful to the Chairman and members of the board for their unflinching support and advice. I also want to acknowledge our staff for their steadfastness and perseverance. More importantly, on behalf of the board of directors, let me express my appreciation to our esteemed shareholders for their understanding and commitment to Resourcery Plc.

I thank you all for your attention.

Tanimola Sanusi Fafunwa
Managing Director

RESOURCERY PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors have pleasure in presenting their report on the affairs of Resourcery Plc (''The Company") together with its subsidiary (''The Group") and the "Consolidated and Separate" audited financial statements for the year ended 31 December 2016.

Principal activity

The principal activities of the Group locally and internationally during the year continue to be the supply, installation and maintenance of communications, telecommunications and Information Technology systems.

State of affairs

In the opinion of the Directors, the state of the Group's affairs is satisfactory and there has been no material change since the reporting date, which would affect the consolidated and separate financial statements as presented.

Dividend
The directors do not recommend the payment of any dividends in respect of the year ended 31 December 2016 (2015: Nil).

Results of operations

	The group		The company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Revenue	3,861,849	4,901,628	3,584,821	4,712,634
	=======	=======	=======	=======
Loss before taxation	(794,112)	(877,572)	(760,022)	(853,863)
Taxation	(8,541)	(51,053)	(8,541)	(51,053)
	-------------	-------------	------------	------------
Loss after taxation	(802,653)	(928,625)	(768,563)	(904,916)
Other comprehensive loss for the year; net of tax	(30,135)	(587)	1,295	(4,804)
	-------------	-------------	--------------	--------------
Total comprehensive loss for the year; net of tax	(832,788)	(929,212)	(767,268)	(909,720)
	=======	=======	=======	=======

Property, Plant and Equipment (PPE)
Information relating to Property, Plant and Equipment (PPE) is shown in Note 10 to the consolidated and separate financial statements. In the opinion of the Directors, the market value of the Group's PPE is not less than the carrying value shown in the consolidated and separate financial statements.

Acquisition of own shares
The group has not purchased any of its own shares during the year under review (2015: Nil).

RESOURCERY PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016

INFORMATION ON BOARD MEETINGS ATTENDED AND DATES ON WHICH EACH MEETING WAS HELD

Board Meetings:

The Company's board meeting and directors' attendance at these meetings for the financial year ended 31st December 2016 are detailed below:

4 (Four) Board Meetings:

- 18th February 2016,
- 28th April 2016,
- 9th September 2016 and
- 30th November 2016

	Names	Meetings held	Attendance
1.	Mr. Tayo Amusan	4	2
2.	Mr. Tani Fafunwa	4	4
3.	Mr. Tunde Fafunwa	4	4
4.	Mr. Andrew Ejoh	4	4
5.	Alhaji Ahmed Shuaib	4	4
6.	Mr. Uzo Obi	4	4
7.	Mr. Ike Onyia *Appointed November 30th 2016		1
8.	Mr. Akanimo Ekong * Resigned October 30th 2016		2
9.	Mr. Pius Anyiador * Resigned November 15th 2016		2
10.	Mr. Damilola Olawoye *Resigned 6th May 2016		1

CHANGES ON THE BOARD

In the course of the financial year under review, Mr. Akanimo Ekong who until now served as an Executive Director and Mr. Pius Anyiador a Non-Executive Director both resigned from the board on the 30th of October 2016 and 15th of November 2016 respectively.

Also in the course of the year, the board appointed Mr. Ike Onyia as a Non-Executive Director and Mr. Christian Ekpo as an alternate Director to the aforementioned in order to fill the vacancy created on the board.

Profile of Mr. Ike Onyia

Mr. Ike Onyia is the Managing Director/CEO of FBNQuest Asset Management, a subsidiary of FBNQuest Merchant Bank, part of FBN Holdings Plc.

RESOURCERY PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016

Mr. Onyia has over 20 years' experience in investment management and advisory. Prior to his appointment, he served as Managing Director of Fiducia Capital, a Securities and Exchange Commission (SEC) and FMDQ OTC registered investment management firm in Nigeria, and as an Executive Director of a financial advisory firm, Parsifal Partners Limited. Mr. Onyia was instrumental in establishing and managing two other asset management businesses, FSDH and Zenith Capital, and was a key member of the initial team that established a leading Pension Fund Administrator. He was also a pioneer Executive Committee Member & Treasurer of the Fund Manager's Association of Nigeria between 2010 and 2013, and is an Associate of the Chartered Institute of Stockbrokers (ACS) in Nigeria.

Mr. Onyia brings a wealth of experience and his knowledge and expertise are expected to reflect positively on the business.

RETIREMENT BY ROTATION

In compliance with the provisions of Section 259 of the Companies and Allied Matters Act 2004 which requires one-third (1/3) of the directors for the time being, or if the number is not three or a multiple of three, the number nearest to 1/3, shall retire from office at the Annual General meeting and offer themselves for re-election, Mr. Tanimola Sanusi Fafunwa and Mr. Andrew Ifeanyichukwu Ejoh will retire at the 27th Annual General meeting and both being eligible, offer themselves for re-election.

The profiles of the retiring Directors are stated below:

Tani Fafunwa has over 20 years of Senior Management experience in the Information Technology industry. After graduating with an MBA from Stanford University in 1993, Tani returned to Nigeria to lead the operations of Resourcery Ltd., at the time, a small IT company trying to find its niche.

Today Resourcery is a leading IT systems integrator in West Africa. It provides services across the region from its offices in Nigeria and Ghana. The company offers innovative information technology solutions for large enterprise customers in the financial services, telecoms, energy, manufacturing, government and service industries

Tani served on the industry advisory board to the Federal Minister of Communications Technology and was also a member of the Partner Operations Advisory Board for Cisco Systems (EMEA) and the Cisco Partner Executive Exchange.

Andrew Ejoh is Executive Director, Business Development Group to which he brings a wealth of over 25 years industry experience. Within his portfolio, he has two distinct, yet interlinked, market facing teams – Vertical Industries and Strategic Information Solutions.

His industry teams are responsible for sales into the Financial, Oil & Gas, Manufacturing/Services, Construction and Real Estate. New strategic solutions like Business Intelligence in partnership with SAS Pty are among the new solutions were 'birthed' under his direction.
These solutions have contributed immensely to the organizations growth into existing and new customer businesses.

He holds a B.Sc in Accounting from the University of Lagos and qualified as a Chartered Accountant in 1989. Until 2003, Andrew was the Financial Director of Resourcery.

In the course of the period under review, both Directors attended all Board and Board Committee meetings (where applicable). A record of their attendance at meetings is available on page 12 of this Report.

RESOURCERY PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016

Directors' interest in shares

Pursuant to Sections 275 and 276 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, the direct and indirect interest of the Directors in the issued share capital of the Group as notified by them and recorded in the Register is as follows:

	2016 No. of shares	%	2015 No. of shares	%
Tanimola Sanusi Fafunwa	245,456,471	7.2	245,456,471	7.2
Andrew Ifeanyichukwu Ejoh	176,827,766	5.2	176,827,766	5.2
Uzo Harold Obi	210,286,590	6.2	210,286,590	6.2

Directors' interest in contracts

None of the Directors has notified the Group for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 of any disclosable interest in contracts with which the Group is involved as at 31 December 2016 (2015: Nil).

Analysis of shareholding

The issued and fully paid share capital of the Company as at 31 December 2016 was beneficially owned as follows:

	Number	%
Tanimola Sanusi Fafunwa	245,456,471	7.24
Andrew Ifeanyichukwu Ejoh	176,827,766	5.22
Uzo Harold Obi	210,286,590	6.2
First Funds Limited	1,047,794,124	30.92
Black Thorn Hills Ltd	448,100,000	13.22
ESL/JO Hambo- Atlas INV. Ltd	250,000,000	7.38
Others	1,010,721,088	29.82
	3,389,186,039	100

Charitable contributions and donations

The group made contribution to charities during the year ended 31 December 2016 amounting to N 250,000 (2015: N1,170,000).

RESOURCERY PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016

Employment and Employees

Employment of disabled persons
No disabled person was employed by the group during the year. However, it is the Group's policy to consider disabled persons for employment, bearing in mind the respective aptitudes and abilities of the applicants concerned.

Health, Safety and Welfare of employees at Work

The group places high premium on the health, safety and welfare of its employees in their places of work. To this end, the Group has various forms of insurance policies including group life insurance to adequately secure and protect its employees. The group also has in place a healthcare insurance scheme for employees' medical needs.

Employees' Interest and Training

The group places considerable value on the development of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings and other forms of communication. The Group organizes in-house and external training for its employees based on the requirements of their job. Overseas courses are also arranged where and when necessary.

Events after the reporting date

As stated in Note 31, there are no events or transactions that have occurred since the reporting date which would have a material effect on the consolidated and separate financial statements as presented.

Format of financial statements

The consolidated and separate financial statements of Resourcery Plc have been prepared in accordance with the reporting and presentation requirement of the Companies and Allied matters Act, CAP C20, Laws of the Federation of Nigeria, 2004 and are in compliance with the International Financial Reporting Standard as approved by the Financial Reporting Council of Nigeria. The directors consider that the format adopted is the most suitable for the Group.

Auditors

Ernst & Young have expressed their willingness to continue in office as auditors in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

BY ORDER OF THE BOARD

Jackson Etti & Edu
Secretary
FRC/2013/NBA/00000003320
JACKSON, ETTI & EDU
Company Secretaries

..............................2017

RESOURCERY PLC
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2016

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

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

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

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

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board and the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

The directors are of the opinion that the consolidated and separate financial statements give a true and fairview of the state of the financial affairs of the Group and of its loss for the year ended 31 December 2016. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Going Concern
"The Group recorded s net loss of N802.7million for the year ended 31st DECEMBER,2016 (2015: N928.6million) (Company: N768.8million) (2015: N904.9million) and as at date, it has net current liabilities of N192.2million (2015: net current assets of N985.7million) (Company: N83.1million, 2015:Net current asset of N669.2million) and net liabilities of N84.4million (2015: Net assets of N746.4million) (Company Net assets of N149.9million,2015: N917.1 million) also, the company has been unable to meet up its loan repayment as at when due which makes all the existing loan pass due and hence current.

The management has set up a committee with the responsibility of putting risk assessment processes in place in ensuring the group returns with profitable position. The risk assessment process put in place includes effective job order assessment which involves detailed review of all contracts and collection of contract advancement on all purchase orders. These initiatives along with other cost savings actions are forecast to return the company to profitability. Also, the company is currently planning to negotiate and restructure N404.03 million loan from its related party (First Funds Ltd) and plan to repay the other loans as soon as the liquidity position of the company improves. However the timing and extent to which these developments will enable the group return to profitability and solvency is not certain at this stage.

This conditions indicates the existent of a material uncertainty which may cast significant doubt on the groups ability to continue as a going concern, and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statement has been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the realisation of assets and settlement of liabilities will occur in the ordinary course of business

Managing Director	Executive Director
Tanimola Fafunwa	Andrew Ejoh
FRC/2014/IODN/00000004310	FRC/2014/IODN/00000004306

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RESOURCERY PLC
REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2016

To the members of Resourcery Plc

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, the members of the Audit Committee of Resourcery Plc having carried out our statutory functions under the Act, hereby report as follows:

- The accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices.
-
- The scope and planning of both the external and internal audit for the year ended 31st December, 2016, are satisfactory and are in accordance with the Company's internal control system; and agreed ethical practices;
-
- We are satisfied with the responses to our questions and the state of Affairs at Resourcery Plc

Members of the Audit Committee

1.	Mr. Ayodele Arogbo	Chairman
2.	Mr. Pius Anyadior	Member
3.	Prince Babatunde Shobande	Member
4.	Alhaji Shuaibu Ahmed	Member

The company secretary serves as Secretary to the Committee

Mr. Ayo Arogbo
Chairman, Audit Committee

1. Audit Committee Meetings:

The company's Audit Committee meeting and members' attendance at these meetings for the period are detailed below:

2 (Two): 29th June 2016 and 2nd September 2016

Names	Meetings held	Attendance
Mr. Ayo Arogbo	2	2
Mr. Pius Anyadior	2	2
Prince Babatunde Shobande	2	2
Alhaji Shuaibu Ahmed	2	2

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RESOURCERY PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have audited the accompanying consolidated and separate financial statements of Resourcery Plc (the "Company") and its subsidiaries (collectively the "Group") which comprise the consolidated and separate statements of financial position as at 31 December 2016, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated, separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Resourcery Plc and its subsidiaries as at 31 December 2016, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the relevant provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act No. 6, 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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Resourcery Plc and its subsidiaries. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Resourcery Plc and its subsidiaries. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
Without qualifying our opinion, we draw attention to Note 31 to the financial statements, which indicates that the Group recorded a net loss of N802.7 million for the year ended 31 December 2016 (2015: N 928.6 million) (Company: N 768.8 million (2015: N 904.9 million)) and as at that date, it has net current liabilities of N192.2 million (2015: net current assets of N589.7 million) (Company: N 83.1 million (2015: net current assets of N 669.2)) and net liabilities of N86.4 million (2015: -Net assets of N746.4 million) (Company: net asset of N 149.9 million (2015: N 917.1).

These events or conditions, along with other matters as set forth in Note 30, indicate that a material uncertainty exists that may cast significant doubt on the Company's (and Group's) ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RESOURCERY PLC - Continued

Key Audit Matters	How the matter was addressed in the audit
Impairment of Trade Receivables	
As at 31 December 2016, impairment provision amounting to N196 million was made against the Group's gross trade receivable balance of N2.064 billion.	We held discussions with management to understand the judgements and assumptions applied to determine the trade receivable impairment amount.
Trade receivable represents a significant portion of the Group's working capital therefore, monitoring its collectability is a key element of the Group's working capital management and a key input in the impairment assessment.	We evaluated the reasonableness of these assumptions through detailed analysis of ageing of receivables, comparison with historical collection trend, assessment of material overdue individual trade receivables and analysis of risks specific to individual trade debtor.
The assessment of the impairment of trade receivables requires significant management judgment in evaluating the trade debtors' ability to pay, which in turn impacts the recoverability of the Group's Receivables.	We selected samples of customer balances and re-calculated the impairment allowance using management's assumptions and considered the adequacy of the provision.
Given the significance of trade receivable balance and the level of judgement involved in the assessment, the impairment of trade receivable was considered a kev audit matter.	We also assessed the adequacy of the Group's disclosure regarding allowance for credit losses as contained in note 16.1 of the consolidated financial statements.

Other Information
The directors are responsible for the other information. The other information comprises the Report of the Directors, Corporate Governance Report. Report of the Audit Committee. Statement of Value Added and Five-Year Financial Summary as required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditors' report thereon,

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

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RESOURCERY PLC - Continued

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated and separate financial statements. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and 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 Group and 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 the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group and the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors 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 Directors 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RESOURCERY PLC - Continued

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' 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

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, we confirm that:

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

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

The group and the company's consolidated and separate statements of financial position and consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account.

Omolola Alebiosu, FCA
FRC/2012/ICAN/00000000145
For: Ernst & Young
Chartered Accountants
Lagos, Nigeria

13, December, 2017

RESOURCERY PLC
CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

		THE GROUP		THE COMPANY	
		31 Dec 2016	**31 Dec 2015**	**31 Dec 2016**	**31 Dec 2015**
	Notes	**N'000**	**N'000**	**N'000**	**N'000**
Revenue	3	3,861,849	4,901,628	3,584,821	4,712,634
Cost of sales	4	(2,898,961)	(3,702,516)	(2,775,192)	(3,574,029)
Gross profit		962,888	1,199,112	809,629	1,138,605
Administrative expenses	5	(1,592,163)	(1,730,158)	(1,438,925)	(1,649,371)
Other income	6	70,229	31,980	65,286	29,100
Operating loss		(559,046)	(499,066)	(564,010)	(481,666)
Finance costs	7	(197,913)	(375,808)	(196,012)	(372,197)
Share of loss of a joint venture	13	(37,153)	(2,698)	-	-
Loss before taxation	8	(794,112)	(877,572)	(760,022)	(853,863)
Income tax expense	25.1	(8,541)	(51,053)	(8,541)	(51,053)
Loss for the year		(802,653)	(928,625)	(768,563)	(904,916)
Attributable to:					
Equity holders of the parent		(797,167)	(922,431)	(768,563)	(904,916)
Non- controlling interests		(5,486)	(6,194)	-	-
		(802,653)	(928,625)	(768,563)	(904,916)
reclassified to profit or loss in subsequent periods:					
Exchange difference on translating foreign operation.		(31,430)	4,217	-	-
Net gain/(loss) on available for sale financial asset	14	1,295	(4,804)	1,295	(4,804)
Other comprehensive (loss)/income for the year, net of tax		(30,135)	(587)	1,295	(4,804)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods net of tax:		-	-	-	-
Total comprehensive loss for the year, net of tax.		(832,788)	(929,212)	(767,268)	(909,720)
Basic and diluted loss per share (Naira)	9	(0.24)	(0.27)	(0.23)	(0.27)

RESOURCERY PLC
CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

		THE GROUP		THE COMPANY	
		31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
ASSETS	**Note**	**N'000**	**N'000**	**N'000**	**N'000**
Non-current assets					
Property, plant and equipment	10	34,865	49,277	28,660	44,309
Intangible assets	11	1,788	6,534	1,788	6,534
Investment in subsidiaries	12	-	-	8,425	8,425
Investment in Joint venture	13	25,032	62,185	150,000	150,000
Available for sale financial assets	14	40,001	38,706	40,001	38,706
Prepayments -Long	17	4,119	-	4,119	-
		105,805	156,702	232,993	247,974
Current assets					
Inventories	15	496,442	751,148	489,357	741,731
Trade and other receivables	16	4,511,721	3,402,292	4,424,459	3,467,932
Prepayments	17	26,867	35,606	20,140	31,218
Cash and short-term deposits	18	56,009	293,601	54,752	237,701
		5,091,039	4,482,647	4,988,708	4,478,582
TOTAL ASSETS		5,196,844	4,639,349	5,221,701	4,726,556
EQUITY AND LIABILITIES					
Equity					
Issued capital	19	1,694,593	1,694,593	1,694,593	1,694,593
Share premium	20	352,752	352,752	352,752	352,752
Foreign currency translation reserve		11,027	42,457	-	-
Available -for -sale reserve		(3,509)	(4,804)	(3,509)	(4,804)
Retained earnings		(2,129,844)	(1,332,677)	(1,893,969)	(1,125,406)
Equity attributable to equity holders of the parent		(74,981)	752,321	149,867	917,135
Non- controlling interest		(11,380)	(5,894)	-	-
Total Equity		(86,361)	746,427	149,867	917,135

RESOURCERY PLC
CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016 - Continued

		THE GROUP		THE COMPANY	
		31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	Note	N'000	N'000	N'000	N'000
Current Liabilities					
Borrowings	21	1,323,056	1,023,234	1,323,056	1,023,234
Trade and other payables	23	3,920,500	2,838,097	3,707,300	2,753,250
Income tax liabilities	24.3	39,649	31,591	41,478	32,937
		5,283,205	3,892,922	5,071,834	3,809,421
TOTAL LIABILITIES		5,283,205	3,892,922	5,071,834	3,809,421
TOTAL EQUITY AND LIABILITIES		5,196,844	4,639,349	5,221,701	4,726,556

Consolidated and separate financial statements of Resourcery Plc for the year ended 31 December 2016 were authorized for issue in accordance with the resolution of the Directors on____________________and were signed on its behalf by:

Managing Director
Mr. Tanimola Fafunwa
FRC/2014/IODN/00000004310

Executive Director
Andrew Ejoh
FRC/2014/IODN/00000004306

RESOURCERY PLC
CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

THE GROUP	Share Capital	Share premium	Foreign currency translation reserve	Available- for-sale reserve	Retained earnings	Total	Non-controlling interest	Total Equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2015	1,694,593	352,752	38,240	-	(410,246)	1,675,339	-	1,675,339
Loss for the year	-	-	-	-	(922,431)	(922,431)	(6,194)	(928,625)
Other comprehensive income,net of tax	-	-	4,217	(4,804)	-	(587)	-	(587)
	1,694,593	352,752	42,457	(4,804)	(1,332,677)	752,321	(6,194)	746,127
Shares issues to Non-Controlling Interest upon incorporation	-	-	-		-	-	300	300
At 31 December 2015	1,694,593	352,752	42,457	(4,804)	(1,332,677)	752,321	(5,894)	746,427
At 1 January 2016	1,694,593	352,752	42,457	(4,804)	(1,332,677)	752,321	(5,894)	746,427
Loss for the year	-	-	-	-	(797,167)	(797,167)	(5,486)	(802,653)
Other comprehensive income,net of tax	-	-	(31,430)	1,295	-	(30,135)	-	(30,135)
	1,694,593	352,752	11,027	(3,509)	(2,129,844)	(74,981)	(11,380)	(86,361)
At 31 December 2016	1,694,593	352,752	11,027	(3,509)	(2,129,844)	(74,981)	(11,380)	(86,361)

Other capital reserve:

Fair value loss on financial assets recognized here, is a non-distributive reserve.

Shares issues to Non-Controlling Interest upon incorporation:
This relates to shares owned by Archtix Limited which represents 30% of the shares in Triversa Solution Limited.

RESOURCERY PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

COMPANY	Share Capital	Share premium	Retained earnings	Available for sale reserve	Total Equity
	N'000	N'000	N'000	N'000	N'000
At 1 January 2015	1,694,593	352,752	(220,490)	-	1,826,855
Loss for the year	-	-	(904,916)	-	(904,916)
Other comprehensive income,net of tax	-	-	-	(4,804)	(4,804)
	1,694,593	352,752	(1,125,406)	(4,804)	917,135
At 31 December 2015	1,694,593	352,752	(1,125,406)	(4,804)	917,135
At 1 January 2016	1,694,593	352,752	(1,125,406)	(4,804)	917,135
Loss for the year	-	-	(768,563)	-	(768,563)
Other comprehensive income,net of tax	-	-	-	1,295	1,295
	1,694,593	352,752	(1,893,969)	(3,509)	149,867
At 31 December 2016	1,694,593	352,752	(1,893,969)	(3,509)	149,867

RESOURCERY PLC
CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	THE GROUP		THE COMPANY	
		31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
Operating activities					
Loss before taxation		(794,112)	(877,572)	(760,022)	(853,863)
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	10	26,553	51,203	23,820	49,021
Amortisation of intangible assets	11	4,746	4,746	4,746	4,746
(Gain)/loss on disposal of property, plant and equipment		(583)	(153)	(583)	510
Allowance for impairment on trade receivable	5	42,966	86,386	42,966	86,386
Finance costs	7	197,913	375,808	196,012	372,197
Net Foreign exchange difference		610,165	560,102	610,165	560,102
Share of loss of joint ventures	13	37,153	2,698	-	-
Interest received	6	(3,227)	(30,680)	(3,155)	(28,401)
		121,574	172,538	113,949	190,698
Working capital adjustment					
Decrease in Inventories		245,733	361,931	252,374	365,019
(Increase)/increase in Trade and other receivables		(824,421)	517,352	(665,537)	539,293
Increase in Restricted Bank Balance		(333,956)	(219,899)	(333,956)	(219,899)
Decrease /(Increase) in Prepayments		4,620	(10,362)	6,959	(7,143)
Increase/(Decrease) in Trade and other payables		460,274	(1,003,017)	343,885	(1,058,256)
Income Tax paid	24.3	(483)	(1,246)	-	-
		(448,232)	(355,241)	(396,275)	(380,986)
Net cash used in operating activities		(326,658)	(182,703)	(282,326)	(190,288)
Investing activities					
Proceeds from sale of property, plant and equipment		4,823	5,334	4,823	3,500
Purchase of property, plant and equipment	10	(14,860)	(11,965)	(12,411)	(6,231)
Purchase of AFS financial instruments	14	-	(23,510)	-	(23,510)
Interest received	6	3,227	30,680	3,155	28,401
Net cash (used in)/provided by investing activities		(6,810)	539	(4,433)	2,160
Financing activities					
Proceeds from borrowing		657,622	149,936	657,622	149,936
Repayment of borrowings		(338,537)	-	(338,537)	-
Interest paid	7	(197,913)	(375,808)	(196,012)	(372,197)
Net cash u (used in)/provided by financing activities		121,172	(225,872)	123,073	(222,261)
Net decrease in cash, cash equivalents		(212,296)	(408,036)	(163,686)	(410,389)
Net foreign exchange difference		(6,033)	758	-	-
Cash and cash equivalents at 1 January		73,794	481,072	17,894	428,283
Cash and cash equivalents at 31 December	18	(144,535)	73,794	(145,792)	17,894

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 General information

1.1 Legal form:

The consolidated and separate financial statements of Resourcery Plc and its subsidiary for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 19 December, 2017. Resourcery Plc was incorporated on 14 March 1985 as a limited liability company in accordance with the provisions of the Companies and Allied Matters Act, 1968, commenced operations on 15 April 1985. On 20 May 2008, in accordance with the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, the Company was converted to Public Limited Liability Company. The company shares are yet to be listed on the Nigerian Stock Exchange (NSE). The Company is domiciled in Nigeria and the registered office is located at 16-18 Adeola Hopewell Street Victoria Island, Lagos.

1.2 Principal activities:

The principal activities of the Group continue to be the supply, installation and maintenance of communications, telecommunications and information technology systems.

The group is comprised of Resourcery Plc (ultimate parent) and wholly owned Resourcery Ghana Limited and a Joint venture with Kitsoo Incorporation Limited with 65% interest. The group also incorporated another entity on the 26th of August 2015 –Triversa Solutions Limited wherein it has 70% equity stake.

1.3 Statement of Compliance

The consolidated and separate financial statements of Resourcery Plc have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

1.4 Operating environment

Emerging markets such as Nigeria are subject to different risks than more developed markets, including economic, political, social, and legislative risks. Prior to 31 December 2016, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in Nigeria and the country's economy in general. The global financial system continues to exhibit signs of deep stress and many economies around the world are experiencing lesser or no growth than in prior years. These conditions could slow or disrupt Nigeria's economy, adversely affecting the Company's access to capital and cost of capital for the Company and more generally, its business, results of operations, financial condition and prospects.

Because Nigeria produces and exports large volumes of oil, Nigeria's economy is particularly sensitive to the price of oil on the world market which has fluctuated significantly during the financial year ended 31 December 2016.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2. Summary of significant accounting policies

The significant accounting policies applied in the preparation of the consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. All entities within the Group apply the same accounting policies.

2.1 Basis of preparation

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated and separate financial statements have been prepared under the historical cost basis, except for available-for-sale (AFS) financial assets that have been measured at fair value. The consolidated and separate financial statements are presented in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

The consolidated and separate financial statements comprise the statement of profit or loss, the statement of financial position, the statement of changes in equity, the statement of cash flows, and the notes, comprising of a summary of significant accounting policies and other explanatory notes.

The preparation of the consolidated and separate financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgment in the process of applying the group's accounting policies. Changes in assumptions may have a significant impact on the consolidated and separate financial statements in the period the assumptions changed. The directors believe that the underlying assumptions are appropriate and that the group's financial statements therefore present the financial position and results fairly. Further information on each of these and how they impact the various accounting policies are described in the relevant notes to the consolidated and separate financial statements.

2.1.1 Going concern

The management and shareholders have the intention to further develop the business of Resourcery Plc. The directors believe that there is no intention or threat from any party to curtail significantly its line of business in the foreseeable future. Thus, these financial statements are prepared on a going concern basis.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee,
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.2 Basis of Consolidation-Continued

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity

If the Group loses control over a subsidiary, it:
Derecognises the assets (including goodwill) and liabilities of the subsidiary
Derecognises the carrying amount of any non-controlling interests
Derecognises the cumulative translation differences recorded in
equity Ru ecognises the fair value of the consideration received
Recognises the fair value of any investment retained
Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The consolidated and separate financial statements of the group include that of:

Name	Principal Activities	Country of	Percentage	Nature of
Resourcery Africa Plc, Ghana	Supply, installation and maintenance of information technology system	Ghana	100%	Subsidiary
Kitskoo Cloud Services	Developers, marketers and installation of information technology equipment	Nigeria	65%	Joint Venture
Triversa Solution Limited	Enterprise Intelligence	Nigeria	70%	Subsidiary

2.2.1 Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investment in joint venture is accounted for using the equity method.

Under the equity method, the investment in joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS - Continued

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

2.2.2 Accounting for other entities in the separate financial statements

In the separate financial statements of Resourcery Plc (the company), investment in subsidiaries is recognised at cost and dividend income is recognised in other income in the statement of profit or loss of the Company.

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

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced and the amount of the loss is

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the profit and loss.

2.2.3 Fair value measurement

The group measures its quoted securities classified as Available for sale financial assets, at fair value at each balance sheet date. Fair-value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed are summarized in the notes.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

All assets and liabilities for which fair value is disclosed in the consolidated and separate financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value

For assets and liabilities that are recognised in the consolidated and separate financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re- assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each year.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of its nature

2.3 Foreign currency translation

2.3.1 Functional and presentation currency

Items included in the consolidated and separate financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated and separate financial statements are presented in 'Naira' (N), which is the group's presentation

2.3.2 Transactions and balances

Foreign currency transactions are translated into Naira using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in the statement of profit or loss within 'other (losses)/gains - net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non- monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.3.3 Foreign Operations

On consolidation, the assets and liabilities of foreign operations are translated into Naira at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

2.4 Property, Plant and Equipment

2.4.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation

The cost of the relevant property, plant and equipment includes and is made up of expenditures that are directly attributable to the acquisition of the assets. Additions and subsequent expenditures are recognised as an asset if, and only if: (a) it is probable that future economic benefits associated with the item will flow to the entity: and
(b) the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the profit and loss statement during the period in which they were incurred.

2.4.2 Subsequent costs

The cost of replacing a part of an item of property or 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 cost of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

2.4.3 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 begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

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.

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

Computer equipment	- 2 years
Furniture and fittings	- 4 years
Motor vehicles	- 4 years
Office equipment	- 4 years

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS - Continued

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. When deciding on depreciation rates and methods, the principal factors the group takes into account are the expected rate of technological developments and expected market requirements for, and the expected pattern of usage of, the assets. When reviewing residual values, the company estimates the amount that it would currently obtain for the disposal of the asset after deducting the estimated cost of disposal if the asset were already of the age and condition expected at the end of its useful economic life.

2.4.4 De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets and are recognised in profit or loss during the period in which they were incurred.

2.5. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

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

Navision Dynamics	4 years

Navision Dynamics is the computer software purchased by the company since 2014 and this is the only computer software used by the company.

2. 6. Pre-paid long term rent

Amount paid in respect of long term rent is capitalised and amortised over the period of the rent Subsequent cost in enhancing the performance of the rented complexes and building are capitalised and amortised over the period of rent.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.7. Impairment of non-financial assets

The carrying amounts of the Group'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.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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.

2.8 Financial instruments – initial recognition and subsequent measurement

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another entity.

2.8.1 Financial asset

Initial recognition and measurement

The group recognises a financial asset or financial liability when it becomes party to the contractual provisions of the instrument. When a financial asset or financial liability is recognised initially, it is measured at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held- to-maturity investments, or available for-sale financial assets. The Group determines the classification of its financial assets at initial recognition.

The Group's financial assets include Cash and short-term deposits, available for-sale financial assets and trade receivables.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Subsequent measurement

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

Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss.

Available-for-Sale Financial assets

AFS financial assets include equity investments. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. After initial measurement, AFS financial assets are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income/other expenses, or the investment is determined to be impaired, when the cumulative loss is reclassified from the AFS reserve to the statement of profit or loss. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost.

Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is

a) The rights to receive cash flows

Or

b) The group has transferred the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset Or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

2.8.2 Impairment of financial assets

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

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS - Continued

2.8.2 Impairment of financial assets - contd.

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

Financial Assets carried at amortised cost

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

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss.

Available for Sale Financial assets

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

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from OCI and recognised in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised in OCI.

The determination of what is 'significant' or 'prolonged' requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.8.3 Financial liabilities

Initial recognition and measurement

The group has the following financial liabilities: loans and borrowings and trade and other payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities of the Group comprise loans and borrowings, bank overdrafts and trade and other payables. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition of financial liabilities

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

2.8.4 Offsetting of financial instruments

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

2.9 Inventory and work-in-progress

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, 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	purchase cost on a weighted average basis including transportation and applicable clearing charge.
Work-in-progress	average cost of direct materials and labour plus the appropriate amount attributable to overheads. Comprises mainly of ongoing networking project. The grouptransfers such assets to the appropriate class once they are completed.
Inventory-in-transit	purchase cost incurred to date

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to completion and selling expenses. Inventory values are adjusted for obsolete, slow-moving or defective items.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.10 Trade receivables

Trade receivables are non-interest bearing. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

The group reviews trade receivables at least annually and assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant.

2.11 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.12 Share capital

The company has 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 in the share premium reserve.

Share issue costs

Incremental costs directly attributable to the issue of new shares or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

Dividend on ordinary shares

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the company's shareholders. Dividends for the year that are declared after the end of the reporting period are dealt with in the subsequent events note.

Other Capital reserves

Available for sale assets are measured at fair value and the movement is in the Other comprehensive income and other capital reserve. It is a non-distributive reserve

2.13 Borrowings

Interest-bearing bank loans and overdrafts are measured at amortised cost using the effective interest method.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.13.1 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of a qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets , until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit or loss.

2.14 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

2.15 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the group has a present legal or constructive obligation as a result of past event, and it is probable that the group will be required to settle that obligation and the amount has been reliably estimated. Provisions for restructuring costs recognised when the group has a detailed formal plan for the restructuring that has been communicated to the affected parties. Provisions are not recognised for future operating losses. The group discloses contingent liability where it is a possible obligation that arises from past events and whose occurrence or non-occurrence is contingent on one or more uncertain future events not wholly within the control of the entity; 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. The group also makes disclosure about possible assets 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.

Provisions are measured at the present value of the expenditures expected to be incurred to settle the obligation, using the pre-tax discount rate that reflects the current assessment of the time value of money and the risks specific to the obligation. The increase in provision due to the passage of time is recognised as interest expense.

2.16 Current and deferred income tax

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

The tax currently payable is based on the minimum tax computed for the year. Minimum tax payable arises when the tax assessment results in taxable losses. In which case the tax authority completely excludes the taxable profit calculation and compute minimum tax as the (the higher of 0.5% of gross profit, 0.5% of Net assets,0.25% of Turnover plus 0.125% of turnover higher than N500,000).

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.16 Current and deferred income tax - Continued

The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted under the Companies Income Tax Act at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated and separate financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Education tax is computed at 2% of the assessable profits.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of profit or loss, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle its current tax liabilities on a net basis.

2.17 Employee benefits

Defined Contribution scheme
The company operates a defined contribution plan which is funded by contributions from the company and the employees which is funded through payroll being 10% and 8% respectively of the qualifying emoluments. The amount contributed by the Company is recognised as employee benefit expenses and charged to the statement of profit or loss. The company has no further payment obligation once the contributions have been paid.

2.18 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, rebates and sales related taxes but including interest receivable on sales on extended credit and income from the provision of technical services and agreements. Revenue is recognised when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS - Continued

2.18.1 Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. This policy is applicable in particular to the revenue generating activity of supply of equipment.

2.18.2 Rendering of services

Revenue from the supply, installation and maintenance of communications, telecommunications and Information Technology Systems is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered. This policy is applicable in particular to the revenue generating activity of networking and support services.

2.18.3 Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as AFS, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the statement of profit or loss.

2.18.4 Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established

2.19 Interests in joint ventures

IFRS defines joint control as the contractually agreed sharing of control over an economic activity. This exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

2.20 Earnings per share

Basic earnings per share is calculated by dividing net profit after tax applicable to equity holders of the company, excluding any costs of servicing other equity instruments, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effective interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.21 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

2.21.1 Deferred taxation

The company and its subsidiaries are subject to income taxes within the Nigerian and the countries where the subsidiaries are domiciled which does not require much judgment in terms of provision for income taxes but a certain level of judgment is required for recognition of the deferred tax assets. Management is required to assess the ability of the company to generate future taxable economic earnings that will utilize the deferred tax assets. An assumption over the generation of future taxable profits depends on management's estimates of future cash flows. The estimates are based on the future cash flow from operations.

2.21.2 Impairment of trade receivables

The group reviews trade receivables at least annually and when there is any indication that the receivables might be impaired. The group has estimated the recoverable amount using models that require assumptions about future cash flows, cash flow dates and discount rates.

2.21.3 Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2.21.4 Property, plant and equipment

Judgements are utilised in determining the depreciation rates and useful lives of these assets and in calculating the amount of interest to capitalize against projects in progress at the end of the period. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the summarized accounting policies. Refer to note 10

2.22 New standards, interpretations and amendments to existing standards but not yet effective

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.22.1 Standards issued but not yet effective

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

List of standard issued but not effective as at 31 December 2016.

1. IFR S 9 – Financial instruments – 1 January 2018
2. IFRS 15 - Revenue from Contracts with customers – 1 January 2018
3. IFRS 16 – Leases – 1 January 2019
4. Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses – 1 January 2017
5. IAS 7 Disclosure Initiative - Amendments to IAS 7 – 1 January 2017
6. IFRS 12 Disclosure of Interests in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12 - 1 Jan 2017
7. IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment - by - investment choice - 1 Jan 2018
8. IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration - 1 Jan 2018
9. Transfers of Investment Property (Amendments to IAS 40) -1 Jan 2018
10. IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Amendments to IFRS 4 - 1 Jan 2018
11. IFRS 2 Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2 - 1 JCan 2018
12. IFRS 16 Leases - 1 Jan 2019
13. IFRIC Interpretation 23 Uncertainty over Income Tax Treatments -1 Jan 2019
14. IFRS 17 Insurance Contracts - 1 Jan 2021

However, the standards issued but not yet effective that are relevant to the Group are the following:

IFRS 9 Financial Instruments

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

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.22.1 Standards issued but not yet effective - Continued

IFRS 15 Revenue from contracts with Customers

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

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The impact assessment is assessment is on-going. The possible impact of the standards is yet to be quantified.

2.22.1 Standards effective during the year

1. IFRS 14 - Regulatory deferral accounts
2. Amendments to IFRS 11 Joint Arrangements: Accounting for acquisitions of interests in Joint Operations
3. Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation
4. Amendments to IAS 16 and IAS 41 Agriculture: Bearer plants
5. Amendments to IAS 27: Equity method in separate financial statements
6. Annual improvements 2012 - 2014 Cycle
   (a) IFRS 7 Financial Instruments: Disclosures - Servicing contracts
   (b) IFRS 7 Financial Instruments: Disclosures - Applicability of the amendments to IFRS 7 to condensed interim financial statements
   (c) IFRS 5 Non-current assets held for sale and discontinued operations
   (d) IAS 19 Employee Benefits
   (e) IAS 34 Interim Financial Reporting
7. Amendments to IAs 1 Disclosure Initiatives
8. Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying Consolidation Exception

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively.

IFRS 14 - Regulatory Deferral Accounts

Since the Group is an existing IFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

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

These amendments does not have any impact on the Group as there has been no interest acquired in a joint operation during the year.

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

These amendments does not have any impact on the Group given that it has not used a revenue-based method to depreciate its non-current assets.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.22.1 Standards effective during the year - Continued

Amendments to IAS 16 and IAS 41 - Agriculture: Bearer Plants

These amendments are applied retrospectively and do not have any impact on the Group as it does not have any bearer plants.

Amendments to IAS 1 - Disclosure Initiative

These amendments do not have any impact on the Group as there are no changes in the entity's business that could necessitate a change in the presentation format of the consolidated and separate financial statements.

IAS 19 - Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 - Interim Financial Reporting

This standard does not have any impact on the Group as it does not prepare interim financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

This standard is not relevant to the Group as none of the entities engage in sale or Contribution among themselves.

2.23 Business Segment Disclosure

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenue and expenses relating to transactions with other components of the same entity) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

2.23.1 Business Information - Group

For management purposes, the Group is organized into business units based on its products and services. Management currently identifies the Group's three service lines as operating segments. These operating segments are monitored and strategic decisions are made on the basis of segment operating results.

No operating segments have been aggregated to form the above reportable operating segments. The Executive Management committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated and separate financial statements. However, financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.23 Business Segment Disclosure - Continued

Group

Business information can be analysed as follows for the reporting periods under review:

	Networking	Equipment supply	Support services	Total segments	Consolidated
Year ended 31 December 2016					
Revenue					
External customers	2,162,635	1,081,318	617,896	3,861,849	3,861,849
Total revenue	2,162,635	1,081,318	617,896	3,861,849	3,861,849
External customers	(1,623,418)	(811,709)	(463,834)	(2,898,961)	(2,898,961)
Inter-segment	-	-	-	-	-
Total cost of sales	(1,623,418)	(811,709)	(463,834)	(2,898,961)	(2,898,961)
Gross Profit	539,217	269,609	154,062	962,888	962,888
Depreciation	(14,870)	(7,435)	(4,248)	(26,553)	(26,553)
Segment Profit/(loss)	524,348	262,174	149,814	936,335	936,335
Total assets					
Property, plant and equipment	19,524	9,762	5,578	34,865	34,865
Intangible assets	1,001	501	286	1,788	1,788
Current asset	2,763,015	1,381,508	789,433	4,933,956	4,933,956
	2,783,541	1,391,771	795,297	4,970,609	4,970,609
Total liabilities					
Current liabilities	2,195,480	1,097,740	627,280	3,920,500	3,920,500
Segment liabilities	2,195,480	1,097,740	627,280	3,920,500	3,920,500

RESOURCERY PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016

2.23 Business Segment Disclosure - Continued

	Networking	Equipment supply	Support services	Total segments	Consolidated
Year ended 31 December 2015					
Revenue					
External customers	2,745,248	1,372,242	784,138	4,901,628	4,901,628
Total revenue	2,745,248	1,372,242	784,138	4,901,628	4,901,628
External customers	(2,073,409)	(1,036,704)	(592,403)	(3,702,516)	(3,702,516)
Total cost of sales	(2,073,409)	(1,036,704)	(592,403)	(3,702,516)	(3,702,516)
Gross Profit	671,839	335,538	191,735	1,199,112	1,199,112
Depreciation	(28,677)	(14,335)	(8,191)	(51,203)	(51,203)
Segment Profit	643,162	321,203	183,544	1,147,909	1,147,909
Total assets					
Non current asset					
Property, plant and equipment	27,599	13,795	7,883	49,277	49,277
Intangible assets	3,659	1,829	1,046	6,534	6,534
Current asset	2,346,153	1,172,750	670,143	4,189,046	4,189,046
	2,377,411	1,188,374	679,071	4,244,857	4,244,857
Total liabilities					
Current Liabilities	1,589,529	794,543	454,025	2,838,097	2,838,097
Segment liabilities	1,589,529	794,543	454,025	2,838,097	2,838,097

2.23.2 Business Information - The Company

Management currently identifies the Company's three service lines as operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

No operating segments have been aggregated to form the above reportable operating segments.
The Executive Management committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated and separate financial statements. However, financing (including finance costs and finance income) and income taxes are managed on a group basis.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.23 Business Segment Disclosure - Continued
The Company

The chief operating decision-maker has been identified as the Group Executive Directors (Strategic Steering Committee-STC) of Resourcery Plc. The operating segments have been identified based on the information reviewed by the strategic steering committee for the purpose of allocating resources and assessing performance. For resources allocation purposes, STC reviews company performance on geographical basis.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Business information can be analysed as follows for the reporting periods under review:

	Networking	Equipment supply	Support services	Total segments	Consolidated
Year ended 31 December 2016					
Revenue					
External customers	2,007,500	1,003,750	573,571	3,584,821	3,584,821
Total revenue	2,007,500	1,003,750	573,571	3,584,821	3,584,821
External customers	(1,554,108)	(777,054)	(444,030)	(2,775,192)	(2,775,192)
Total cost of sales	(1,554,108)	(777,054)	(444,030)	(2,775,192)	(2,775,192)
Gross Profit	453,392	226,696	129,541	809,629	809,629
Depreciation	(13,339)	(6,669.60)	(3,811.20)	(23,820)	(23,820)
Segment Profit/(loss)	440,053	220,026	125,730	785,809	785,809
Total assets					
Non current asset					
Property, plant and equipment	16,050	8,025	4,586	28,660	28,660
Intangible assets	1,001	501	286	1,788	1,788
Current asset	2,763,015	1,381,508	789,433	4,933,956	4,933,956
	2,780,066	1,390,033	794,305	4,964,404	4,964,404
Total liabilities					
Current liabilities	2,076,088	1,038,044	593,168	3,707,300	3,707,300
Segment liabilities	2,076,088	1,038,044	593,168	3,707,300	3,707,300

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

	Networking	Equipment supply	Support services	Total segments	Consolidated
Year ended 31 December 2015					
Revenue					
External customers	2,639,075	1,319,537	754,022	4,712,634	4,712,634
Total revenue	2,639,075	1,319,537	754,022	4,712,634	4,712,634
Cost of sales					
External customers	(2,001,456)	(1,000,728)	(571,845)	(3,574,029)	(3,574,029)
Total cost of sales	(2,984,595)	(1,492,298)	(852,742)	(5,329,634)	(5,329,634)
Gross Profit	637,619	318,809	182,177	1,138,605	1,138,605
Depreciation	(27,452)	(13,726)	(7,843)	(49,021)	(49,021)
Segment Profit	401,737	200,868	114,782	717,387	717,387
Total assets					
Non current asset					
Property, plant and equipment	24,813	12,407	7,089	44,309	44,309
Intangible assets	3,659	1,830	1,045	6,534	6,534
Current asset	2,374,893	1,187,446	678,541	4,240,881	4,240,881
	2,280,221	1,140,111	651,491	4,291,724	4,291,724
Total liabilities					
Current Liabilities	1,541,667	770,833	440,477	2,752,977	2,752,977
Segment liabilities	1,541,667	770,833	440,477	2,752,977	2,752,977

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

2.23.3 Reconciliation of segment profit

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Segment profit	936,335	772,101	785,809	717,387
Administrative expense	(1,565,610)	(1,678,955)	(1,415,105)	(1,600,350)
Other operating income	70,229	31,980	65,286	29,100
Share of loss of joint venture	(37,153)	(2,698)	-	-
Profit before tax	(596,199)	(877,572)	(564010)	(853,863)

2.23.3.1 Administrative expenses

Administrative expenses are not allocated to individual segments as the underlying instruments are managed on a group basis. Current taxes, deferred taxes are not allocated to those segments as they are also managed on a group basis.

	THE GROUP		THE COMPANY	
	2,016	2,015	2,016	2,015
	N'000	N'000	N'000	N'000
Segment operating assets	4,970,609	4,244,857	4,964,404	4,071,823
Investment in jont venture	25,032	62,185	150,000	150,000
Available for sale	40,001	38,706	40,001	38,706
Cash and short term deposits	56,009	293,601	54,752	457,601
Investment in subsidiary	-		8,425	8,425
Prepayment	4,119		4,119	-
Total assets	5,095,770	4,639,349	5,221,701	4,726,555
Segment operating liabilities	3,920,500	2,838,097	3,707,300	2,752,977
Borrowings	1,323,056	1,023,234	1,323,056	1,023,234
Current tax payable	39,649	31,591	41,478	32,937
Total liabilities	5,283,205	3,892,922	5,071,834	3,809,148

2.24 Information about major customers

Major customers are leading blue chip companies in Nigeria, and they include the providers of telecommunication, manufacturers, Financial Services providers and Government agencies etc

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS - Continued

2.24.1 Industry Information

The group's revenue from external customers by industry is listed below:

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
Banking	1,242,935	1,163,930	1,242,935	1,163,930
Connected real estate	192,174	86,759	192,174	86,759
Energy and commerce	298,365	594,125	298,365	594,125
Eastern region	273,319	265,252	273,319	265,252
Public sector	465,007	1,041,775	465,007	1,041,775
Service provider/Africa	1,390,049	1,749,787	1,113,021	1,560,793
	3,861,849	4,901,628	3,584,821	4,712,634

3. REVENUE

The following is the analysis of the entity's revenue for the year.

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
Networking	2,162,635	2,745,248	2,007,500	2,639,075
Equipment supply	1,081,318	1,372,242	1,003,750	1,319,537
Support Services (Note 3.1)	617,896	784,138	573,571	754,022
	3,861,849	4,901,628	3,584,821	4,712,634

3.1 Support Services

Support services basically relates to the deployment of on- site technical expertise/ancillary services to customers for optimal utilization of the Company's products and services.

4. COST OF SALES

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
Networking	1,623,418	2,073,409	1,554,108	2,001,456
Equipment supply	811,709	1,036,704	777,054	1,000,728
Support Services (Note 3.1)	463,834	592,403	444,030	571,845
	2,898,961	3,702,516	2,775,192	3,574,029

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
5. ADMINISTRATIVE EXPENSES				
Advertising and promotions	1,845	7,332	1,845	7,332
Audit fee	11,999	14,620	8,375	12,500
Marketing expenses	39,385	43,701	22,942	39,509
Directors' remuneration	29,268	14,504	980	504
Insurance	11,822	17,580	10,548	17,438
Legal and other professional fees	11,461	24,559	8,740	22,239
Leave allowance	16,751	19,959	16,751	19,959
Donation	520	1,170	250	1,170
Pension contribution - Employer	42,927	47,669	37,042	44,441
Printing and stationery	5,799	7,482	3,884	7,005
Rent and rates	59,686	57,892	47,867	48,217
Repairs and maintenance	49,706	61,256	44,379	55,886
Salary and wages	468,877	547,167	409,213	515,999
Security	14,661	14,927	12,731	13,563
Staff welfare	86,838	100,863	85,289	99,429
Telephone and internet access	26,040	24,908	24,223	23,701
Training and development	5,627	15,113	5,627	14,794
Travelling and accommodation	10,258	6,402	3,848	4,303
Penalty and fines	-	-	-	-
	893,470	1,027,104	744,534	947,989
Depreciation of Property,plant and Equipment	26,553	51,203	23,820	49,021
Loss on disposal of Property,plant and Equipment	-	-	-	510
Amortisation of intangible assets	4,746	4,746	4,746	4,746
Net impairment charge of Trade receivables	42,966	86,386	42,966	86,386
Bad debt written off	11,717	-	10,148	-
Net foreign exchange differences	612,711	560,719	612,711	560,719
	1,592,163	1,730,158	1,438,925	1,649,371

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000

6 OTHER INCOME

	THE GROUP 31-Dec 2016 N'000	THE GROUP 31-Dec 2015 N'000	THE COMPANY 31-Dec 2016 N'000	THE COMPANY 31-Dec 2015 N'000
Interest received on bank deposits (Note 6.1)	3,227	30,680	3,155	28,401
Sundry income (Note 6.2)	66,419	1147	61,548	699
Profit on disposal of Property plant and equipment	583	153	583	-
	70,229	31,980	65,286	29,100

6.1 The interest income on bank deposits was earned at an average rate of 12% per annum.

6.2 Sundry income represents foreign exchange gains and amount realised on the sub-let of a rented property to a third party.

7 FINANCE COSTS

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
Interest expense - overdrafts	33,683	64,013	31,782	63,893
Interest expense - borrowings	164,230	311,795	164,230	308,304
	197,913	375,808	196,012	372,197

8 LOSS BEFORE TAXATION FOR THE YEAR IS STATED AFTER CHARGING

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
Depreciation of Property,plant and Equipment	26,553	51,203	23,820	49,021
Amortisation of intangible assets	4,746	4,746	4,746	4,746
Directors' remuneration	29,268	14,504	980	504
Salary and wages	468,877	547,167	409,213	515,999
Pension contribution - Employer	42,927	47,669	37,042	44,441
Audit fee	11,999	14,620	8,375	12,500
(Profit) / loss on disposal of Property, Plant and Equipment	(583)	(153)	(583)	510

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

9 BASIC LOSS PER SHARE

Basic loss per share are calculated by dividing the net loss for the year attributable to ordinary equity holders of the Group and the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the group and the Company (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. This is not applicable as the lender has the right to convert into a variable number of ordinary shares at the conversion date.

The following reflects the loss and share data used in the basic loss per share computations:

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
Loss for the year attributable to the owners of the Company.	(802,653)	(928,625)	(768,563)	(904,916)
Weighted average number of ordinary shares for the purpose of basic earnings per share	3,389,186	3,389,186	3,389,186	3,389,186
	========	========	========	========
Basic and diluted loss per share	(0.24)	(0.27)	(0.23)	(0.27)
	====	====	====	====

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

10. PROPERTY, PLANT AND EQUIPMENT

10.1 THE GROUP

The movement in these accounts during the year was as follows:

	Computer Equipment N'000	Furniture and Fittings N'000	Motor Vehicles N'000	Office Equipment N'000	Total N'000
Cost:					
At 1 January 2015	115,642	24,838	138,872	60,646	339,998
Additions	838	3,609	7,518	-	11,965
Disposals	-	-	(12,816)	-	(12,816)
Exchange Difference	(12)	(270)	(2,770)	(18)	(3,070)
At 31 December 2015	116,468	28,177	130,804	60,628	336,077
Cost					
Additions	1,749	1,461	11,650	-	14,860
Disposals	-	(184)	(24,948)	-	(25,132)
Exchange Difference	44	817	1,859	10	2,730
	118,261	30,271	119,365	60,638	328,535
At 31 December 2016					
Accumulated depreciation:					
At 1 January 2015	110,621	17,327	70,708	48,709	247,365
Charge for the year	4,606	3,502	39,322	3,773	51,203
Disposals	-	-	(7,635)	-	(7,635)
Exchange difference	(5)	(258)	(3,854)	(16)	(4,133)
At 31 December 2015	115,222	20,571	98,541	52,466	286,800
Charge for the year	1,393	4,122	17,267	3,771	26,553
Disposals	-	(142)	(20,750)	-	(20,892)
Exchange difference	43	231	927	8	1,209
At 31 December 2016	116,658	24,782	95,985	56,245	293,670
Net Book Value:					
At 31 December 2016	1,603	5,489	23,380	4,393	34,865
At 31 December 2015	1,246	7,606	32,263	8,162	49,277

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

10. PROPERTY, PLANT AND EQUIPMENT
10.2 THE COMPANY

The movement in these accounts during the year was as follows:

	Computer Equipment N'000	Furniture & Fittings N'000	Motor Vehicles N'000	Office Equipment N'000	Total N'000
Cost:					
At 1 January 2015	115,510	24,271	133,839	60,601	334,221
Additions	522	1,649	4,060	-	6,231
Disposals	-	-	(12,231)	-	(12,231)
Cost at 31 December 2015	116,032	25,920	125,668	60,601	328,221
Additions	-	1,461	10,950	-	12,411
Disposals	-	(184)	(24,948)	-	(25,132)
At 31 December 2016	116,032	27,197	111,670	60,601	315,500
Accumulated depreciation:					
At 1 January 2015	110,579	16,945	66,904	48,683	243,111
Charge for the year	4,496	3,141	37,620	3,764	49,021
Disposals	-	-	(8,220)	-	(8,220)
At 31 December 2015	115,075	20,086	96,304	52,447	283,912
Charge for the year	838	3,465	15,754	3,763	23,820
Disposals	-	(142)	(20,750)	-	(20,892)
At 31 December 2016	115,913	23,409	91,308	56,210	286,840
Net Book Value:					
At 31 December 2016	119	3,788	20,362	4,391	28,660
At 31 December 2015	957	5,834	29,364	8,154	44,309

10.3 Assets pledged as security

The Group has no restriction on its asset as at 31 December 2016 (2015: Nil).

10.4 Impairment losses recognized in the year

No impairment loss has been recognized as none of the property, plant and equipment has suffered Impairment

10.5 Contractual commitment

There is no other contractual commitment for the purchase of items of property, plant and equipment

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS - Continued

11 INTANGIBLE ASSETS

	THE GROUP Computer Software N'000	THE COMPANY Computer Software N'000
Cost:		
At 1 January 2015	17,484	17,484
Additions	-	-
At 1 January 2016	17,484	17,484
Additions	-	-
At 31 December 2016	17,484	17,484
Amortisation:		
At 1 January 2015	6,204	6,204
Charge for the year	4,746	4,746
At 1 January 2016	10,950	10,950
Charge for the year	4,746	4,746
At 31 December 2016	15,696	15,696
Net Book Value:		
At 31 December 2016	1,788	1,788
At 31 December 2015	6,534	6,534

i. Intangible assets represent cost of computer software which is being amortized over its useful economic life of four (4) years.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS - Continued

12. INVESTMENT IN SUBSIDIARIES

12.1 Information about subsidiaries

The consolidated financial statements of the Group include:

Name	Principal activities	Country of incorporation	% equity interest	
			N'000	N'000
			2016	2015
Resourcery Ghana Limited	Information Technology	Ghana	100	100
Triversa Solutions Limited	Enterprise Intelligence	Nigeria	70	70

12.1.1 Amount invested in subsidiaries

	N'000	N'000
Resourcery Ghana Limited	7,725	7,725
Triversa Solutions Limited	700	700
	---------	---------
	8,425	8,425
	=====	=====

Resourcery Ghana Limited

The company has 100% interest in Resourcery Ghana Limited, which is involved in the supply, installation and maintenance of communication, telecommunication and information technology system. Resourcery Ghana is a private entity. The company established Resourcery Ghana in order to significantly expand its business within the Africa countries and also to bridge the gap with its Africa customers.

Triversa Solution Limited

The company has 70% interest in Triversa Solutions Limited which is involved in sales and implementation of the Business Application Solutions. Triversa Solutions is a private entity, and it was established to handle the software aspects of the Group business.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

12. INVESTMENT IN SUBSIDIARIES - Continued

12.2 Subsidiaries financial information

The movement in investment in subsidiaries during the year is as follows:

	2016	2015
	N'000	N'000
At 1 January	8,425	8,425
Addition	-	-
At 31 December	8,425	8,425

Triversa Solutions Limited:
Summarised statement of profit or loss for 2016:

	2016	2015
Revenue	96,585	765
Cost of sales	(33,807)	-
Administrative expenses	(80,925)	(21,292)
Finance costs	(139)	(119)
Loss before taxation	(18,286)	(20,646)
Income tax expense	-	-
Loss for the year	(18,286)	(20,646)
Total comprehensive loss, net of tax	(18,286)	(20,646)
Attributable to non-controlling interests	(5,486)	(6,194)

Summarised statement of financial position as at 31 December 2016:

	2016	2015
	N'000	N'000
Inventories and cash and bank balances	1,356	16
Trade and other receivables and other non fiancial asset	43,751	17,113
Property, plant and equipment	1,943	267
Trade and other payables	(84,982)	(37,042)
	(37,932)	(19,646)
Total equity		
Attributable to:		
Equity holders of parent	(26,552)	(13,752)
Non-controlling interest	(11,380)	(5,894)
	(37,932)	(19,646)

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS - Continued

12.2 Subsidiaries financial information

Triversa Solutions Limited:
Summarised Cash flow information for year ended 31 December 2016:

	2,016 N'000	2,015 N'000
Operating	3,761	332
Investing	(2,284)	(316)
Financing	(139)	-
	------	------
Net increase in cash and cash equivalents	1,338	16
At 1 January 2016	16	-
	---------	---------
At 31 December 2016	1,354	16
	====	====

13 INVESTMENT IN JOINT VENTURES

The company has 65% interest in Kitskoo Cloud Services Limited, a joint arrangement entity with the following activities;

- Developers, marketers and installation of information technologies equipment and accessories.
- System Backup and recovery, managing security policies, firewalling and intrusion
- Manufacturing, marketing and distribution of computer software, hardware and general accessories in all ramification.

Kitskoo Cloud Services Limited operates its services from 16 Adeola Hopewell Street, Victoria Island, Lagos.The group's interest in Kitskoo Limited is accounted for using the equity method in the consolidated and separate financial statements. Summarized financial information of the joint ventures, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in this consolidated and separate financial statement statements are set out below:

Summarised statement of financial position of Kitskoo Cloud Services Limited

The Group	31-Dec N'000	2015 31-Dec N'000
Current assets, including cash and cash equivalents	117,697	276,164
Non- current assets	4,927	10,106
Current liabilities including intercompany loan	(84,113)	(190,601)
	----------	----------
Equity	38,511	95,669
	======	======
Proportion of the Company's ownership	65%	65%
	---------	---------
Carrying amount of the investment	25,032	62,185
	======	======
The Company	150,000	150,000
	======	======

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		2016	2015
		31-Dec	31-Dec
		N'000	N'000
13.1	**Summarized statements of profit or loss of the Kitskoo Cloud Limited**		
	Revenue	30,666	59,312
	Cost sales	(16,731)	(30,646)
	Administrative expenses including depreciation	(73,005)	(28,534)
	Finance Cost	(108)	(182)
	Finance Income	2,020	-
		----------	----------
	Loss before taxation	(57,158)	(50)
	Income tax expense	-	(4,100)
		-----------	-----------
	Loss for the year	(57,158)	(4,150)
		----------	----------
	Group's share of loss for the year at 65%	(37,153)	(2,698)
		=====	=====
	Other financial information		
	Cash and cash equivalents	2,077	2,887
	Non interest bearing intercompany loan recievable	(128,783)	(126,349)
	Interest bearing intercompany loan payable	91,000	-
	Depreciation	4,964	4,964
	Interest expenses	108	147
		=====	=====

In addition, the Company has a joint venture loan of N128million (2015: N126million) with Kitskoo Cloud Limited. The loan is interest free and payable on demand. Also on the 26 September 2016, the Company signed a loan agreement with kitskoo cloud Limited of loan disbursed in two tranches of N80M and N10M with interest rates of 4% and 16.67% per annum respectively.
The joint venture had no contingent liabilities or capital commitments as at 31 December 2016 and 2015. Kitskoo Clouds Limited made loss in the year under review.

Reconciliation of interest in the joint venture

Equity method of accounting for investment in joint venture

	2016	2015
Percentage held in Equity	65%	65%
	===	===
	N000	N000
Initial cost of investment	150,000	150,000
Share of post-acquisition retained earnings of Joint Venture 1 January 2015	(87,815)	(85,117)
Share of loss of the associate for the year	(37,153)	(2,698)
	-----------	-----------
Carrying value of investment in Joint ventures- Kitskoo Cloud	25,032	62,185
	======	======

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

14 AVAILABLE –FOR- SALE FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	**31-Dec 2015 N'000**	**31-Dec 2016 N'000**	**31-Dec 2015 N'000**
Marketable securities:				
At 1 January	22,706	4,000	22,706	4,000
Addiitons	-	23,510	-	23,510
Fair value net gain/(loss)	1,295	(4,804)	1,295	(4,804)
	---------	---------	---------	---------
Total - Marketable securities	24,001	22,706	24,001	22,706
	---------	---------	---------	---------
Unquoted securities:				
At 1 January	16,000	16,000	16,000	16,000
Addition	-	-	-	-
	---------	---------	---------	---------
Total - Unquoted securities	16,000	16,000	16,000	16,000
	---------	---------	---------	---------
At 31 December	40,001	38,706	40,001	38,706
	======	======	=====	=====

14.1 Analysis of marketable securities:

14.1.1	**Courtville Investment Plc** (8 million ordinary shares at N0.50 per share) Market value as at 31/12/2016 is N4,000,000 (31/12/2015: N0.50 per share)	4,000	4,000	4,000	4,000.00
14.1.2	**Access Bank Shares**	20,001	-	20,001	
		---------	---------	---------	---------
		24,001	4,000	24,001	4,000
		======	======	=====	======

Fair value of available for sale financial assets is derived from quoted market prices in active market.

14.2 AVAILABE FOR SALE FINANCIAL ASSETS

	THE GROUP		THE COMPANY	
	2016	2015	2016	2015
Analysis of unquoted securities:	N'000	N'000	N'000	N'000
Pagatech Limited	16,000	16,000	16,000	16,000
	---------	--------	--------	---------
	16,000	16,000	16,000	16,000
	======	======	=====	======

The available-for-sale (Unquoted) equity securities are carried at cost because there is no active market for the securities and the fair values could not be measured reliably due to the unavailability of reliable market information and valuation inputs as at the end of the reporting period. The company does not intend to dispose the securities. The securities have been assessed for impairment and it was observed that there was no objective evidence of impairment.

Equity investment in Pagatech

Pagatech offers money transfer services via mobile phone. Pagatech works on the most basic SMS enabled phone and on all mobile network, it offers other products such as buying/selling airtime credit, bill payment and retail payment. The company holds an investment in the equity of pagatech. These shares are measured at cost less impairment

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		THE GROUP		THE COMPANY	
		31-Dec 2016	31-Dec 2015	31-Dec 2016	31-Dec 2015
15	**INVENTORY**	N'000	N'000	N'000	N'000
	Materials	18,419	105,198	18,419	105,198
	Goods-in-transit	9,960	6,757	9,960	6,757
	Work-in-progress	468,063	639,193	460,978	629,776
		496,442	751,148	489,357	741,731
	Total inventories at lower of cost and net realizable value	496,442	751,148	489,357	741,731

Write down of inventory

The group's inventory items are consumed in the process of providing services to its customers. Inventories are written down to its net realizable value. During 2016, N2,092million (2015: N28,071million) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

The cost of inventories recognised as an expense during the year was N2.115 billion (2015: N3.064 billion) for the Group and N2.036billion (2015: N3.023billion) for the Company. This is recognised in cost of sales.

		THE GROUP		THE COMPANY	
		31-Dec 2016	31-Dec 2015	31-Dec 2016	31-Dec 2015
		N'000	N'000	N'000	N'000
16	**TRADE AND OTHER RECEIVABLES**				
	Trade receivables (Note 16.1)	2,064,051	1,477,169	1,967,677	1,414,255
	Impairment	(196,351)	(153,385)	(196,351)	(153,385)
		1,867,700	1,323,784	1,771,326	1,260,870
	Staff advances(Note 16.3)	16,727	2,567	1,187	2,567
	Impairment	-	-	-	-
		16,727	2,567	1,187	2,567
	Other receivables (Note 16.4)	2,497,480	1,936,804	2,445,138	1,908,614
	Due from related parties (Note 16.5)	129,814	139,137	206,808	295,881
		4,511,721	3,402,292	4,424,459	3,467,932

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

16 TRADE AND OTHER RECEIVABLES - Continued

16.1 Impairment of trade and other receivables

Trade and other receivables have been reviewed for indicators of impairment. As at 31 December 2016, certain trade receivables were found to be impaired and an allowance for credit losses of N196,351 million (2015: N153,385 million) has been recorded accordingly. The impaired trade receivables are mostly due from customers in the business-to-business market that are experiencing financial difficulties.

	The Group			The Company		
		Individually			**Individually**	
	Collectively	staff debtors)		Collectively	(staff debtors	
	impaired	Impaired	Total	impaired	impaired	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2015	66,999	1628	68,627	66,999	1628	68,627
Charge for the year	117,928	-	117,928	117,928		117,928
Recoveries	(14,375)	-	(-14,375)	(14,375)	-	(14,375)
Utilised	-	(1,628)	(1,628)	-	(1,628)	(1,628)
Discount rate adjustment	(17,167)	-	(17,167)	(17,167)		(17,167)
At 31 December 2015	153,385	-	153,385	153,385	-	153,385
Charge for the year	67,813	54,542	122,355	67,813	54,542	122,355
Recoveries	(79,389)	-	(79,389)	(79,389)	-	(79,389)
At 31 December 2016	141,809	54,542	196,351	141,809	54,542	196,351

As at 31 December 2016, the ageing analysis of trade receivable is as follows

	Neither past due nor impaired		Past due but not impaired		
			13-18	19-24	Above 24
	Total		Months	Months	Month
	N'000	N'000	N'000	N'000	N'000
2016	1,365,056	1,365,056	0	0	-
2015	1,323,784	1,006,456	32,543	284,785	-

See Note 31 on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

16.2 Trade receivables

Trade receivables relate to receivables from customers for good sold and services rendered.
The average credit period taken on sales of goods or services rendered varies between 1-3months. The variability of the credit terms largely depends on the nature of the contract and type of customer which could either be in the public, telecommunication or banking sectors. No interest is charged on outstanding trade receivables. It is the group's policy to recognize a 100% provisions on receivables that are due for over 36 months based on management's judgment that those receivables are unlikely to be recovered. Impairment charge for doubtful receivables are recognised against trade receivables between 13 months and 36 months based on estimated irrecoverable amounts determined by reference to the past default experience of the counterparty and an analysis of their current financial position.

Credit services are made subject to observation of all credit approval procedures.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date the service was rendered up to the reporting date. For all receivables over one (1) year the group provides up to 40% based on management's judgement. In the current year, the Group has recognized a loss of N42,966 million (2015: N86,386million) in respect of impaired trade receivables. This is recorded within other operating expenses in the profit or loss.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

16.3 Staff loans and advances

The loans are given interest free to qualifying staff and the repayments are usually monthly or quarterly; depending on the agreement with individual members of staff. The loans are carried at amortized cost. We also tested for impairment and confirmed that the fair values approximate its carrying values.
Staff advances are the reimbursable given to staff to carry out on- site activities.

16.4 Other receivables

Other receivables comprises of the following:

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
Withholding Tax Receivable	1,559,083	1,511,075	1,558,096	1,486,743
VAT Input	165,789	96,843	114,434	96,843
Deposit to suppliers	218,753	108,987	218,753	105,129
Restricted Bank Balance(Note 16.4.1)	553,855	219,899	553,855	219,899
	2,497,480	1,936,804	2,445,138	1,908,614

16.4.1 This represents fund in a separate Account in respect of an Advance Payment Guarantee (APG).

16.5 Due from Related Parties

This represents the balance due from related companies as at reporting dates:

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
IMPS Limited (Sister Company)	731	12,488	731	12,488
Resourcery Africa, Ghana (Subsidiary)	-	-	20,069	121,019
Kitskoo Joint ventures loan (Joint venture)	128,783	126,349	128,783	126,349
Archtix Limited	300	300	-	-
Triversa Limited (Subsidiary)	-	-	57,225	36,025
At 31 December	129,814	139,137	206,808	295,881

16.6 Impairment analysis

Included in the impairment charge for the year are receivable from the following customers:

Abuja Geographic Information	97,289	1,263	97,289	1,263
Acti-Tech Limited	-	8,289	-	8,289
Mobitel	25,735	25,735	25,735	25,735
Internet Ghana Company Limited	5,281	5,279	5,281	5,279
Lagos state	9,178	17,156	9,178	17,156
Zenith International bank	29,032	-	29,032	-
Integrated Data Service Limited	27,018	-	27,018	-

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS - Continued

		THE GROUP		THE COMPANY	
		31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
17	**PREPAYMENTS**				
	Rent	29,843	17,850	23,116	13,462
	Insurance - Prepaid	1,143	3,713	1,143	3,713
	Others (Note 17.1)	-	14,043	-	14,043
		30,986	35,606	24,259	31,218
	At 1 January	35,606	25,244	31,218	24,075
	Addition	61,846	68,491	56,315	58,618
	Amortisation	(66,274)	(58,129)	(63,274)	(51,475)
	At 31 December	31,178	35,606	24,259	31,218
	Non- current assets	4,119	-	4,119	-
	Current assets	26,867	35,606	20,140	31,218
	At 31 December	30,986	35,606	24,259	31,218

17.1 Others

Others represent amount prepaid for staff vehicle allowance in 2015

18 CASH AND SHORT-TERM DEPOSITS

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and short-term deposits with 90 days tenure. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
Cash in hand	905	1,432	1,215	1,037
Cash at banks	50,462	287,527	48,895	232,022
Short-term deposits	4,642	4,642	4,642	4,642
Cash and short-term deposits	56,009	293,601	54,752	237,701
Bank overdrafts	(200,544)	(219,807)	(200,544)	(219,807)
Cash and cash equivalents	(144,535)	73,794	(145,792)	17,894

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

18 CASH AND SHORT-TERM DEPOSITS - Continued

Commercial papers and fixed deposits have interest rates ranging from 8% to 12% respectively and less than 90 days maturity period.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash and cash equivalents comprise cash on hand; cash balances with banks and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

At 31 December 2016, the Group had Nil balances of undrawn committed borrowing facilities (2015: Nil)

19 SHARE CAPITAL

	THE GROUP		THE COMPANY	
	31-Dec 2016	31-Dec 2015	31-Dec 2016	31-Dec 2015
Authorised	Number	Number	Number	Number
Ordinary shares of shares of 50 kobo each	4,000,000	4,000,000	4,000,000	4,000,000
	========	========	=======	=======
Ordinary shares issued and fully paid	N'000	N'000	N'000	N'000
3,389,186 ordinary shares of 50k each	1,694,593	1,694,593	1,694,593	1,694,593
	-----------	-----------	------------	-----------
At 31 December 2016	1,694,593	1,694,593	1,694,593	1,694,593
	========	========	=======	=======

There was no movement in the authorised share capital of the Group during the year ended 31 December 2016 (2015:Nil)

20 SHARE PREMIUM

	THE GROUP		THE COMPANY	
	2016 N'000	2015 N'000	2016 N'000	2015 N'000
At 1 January	352,752	352,752	352,752	352,752
Issue of additional shares	-	-	-	-
	-----------	-----------	------------	-----------
At 31 December 2016	352,752	352,752	352,752	352,752
	=======	======	========	========

Share premium is a non-distributive reserve for recording additional paid in capital in excess of the nominal value.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

21. INTEREST BEARING LOANS AND BORROWINGS

		Interest	Maturity	The Group			
21.1	Current Interest-bearing loans	Rate		2016	2015	2016	2015
	and Borrowings			N'000	N'000	N'000	N'000
	Bank overdraft: Zenith Bank	21%	On demand	93,798	219,807	93,798	219,807
	Bank overdraft: Access Bank	19.50%	Jan-17	106,746	-	106,746	-
	Bank loan: Zenith Bank	19.50%	Jun-15	81,000	304,225	81,000	304,225
	Access Bank	21%	Jan-16	-	115,329	-	115329
	First Bank	10%	Mar-17	505,330		505,330	
21.2	Loan from related parties:						
	Medstat Inc	36%	On demand	20,907	12,939	20,907	12,939
	Ifeoma Obianwu	36%	On demand	19,715	10,000	19,715	10,000
	First Funds Limited (FFL)	18.50%	Oct-15	404,308	360,934	404,308	360,934
	Kitskoo	11%	On demand	91,252	-	91,252	-
	Total Current Interest bearing loans and borrowings			1,323,056	1,023,234	1,323,056	1,023,234
	Non - Current Interest bearing loans and borrowings			-	-	-	-

21.3 Movement in borrowings:

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
Current				
At 1 January	1,023,234	1,260,504	1,023,234	1,260,504
Repayment during the period	(464,563)	(387,205)	(464,563)	(387,205)
	558,671	873,299	558,671	873,299
Addition/proceeds from short term borrowings:				
Bank overdraft- Access	106,746	-	106,746	-
Short-term portion of Bank loan	505,330	115,329	505,330	115,329
First Fund Limited	43,374	33,673	43,374	33,673
Related Parties	108,935	933	108,935	933
	764,385	149,935	764,385	149,935
At 31 December	1,323,056	1,023,234	1,323,056	1,023,234
Current	1,323,056	1,023,234	1,323,056	1,023,234
Non-current	-	-		-

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

21.2.1 Related Parties loans

Included in borrowing is N131.9 million (2015: N22.9 million), being related party loans obtained from' Medstort and Weoma Obianwu by the Company in 2014. During the year 2016, the Company also obtained a loan of N91.2M (201b. NHJ) from Kitscoo Limited. The loans from Medstat and Ifeoma Obianwu attract an interest of 36% while that of Kitscoo is 11% and is payable on demand.

Also included in the borrowings is unsecured loan of N404.3 million (2015:N360.9 million) obtained from First Fund Limited which has 30.92% holding in the Group. The loan attracts interest at the rate of 18.5% per annum.

21.2 Bank overdrafts:

This represents unsecured overdrawn facilities from Access Bank and Zenith Bank on current accounts. The overdrafts attract an average interest rate of between 19.5% to 21%. The bank overdraft account represents overdrawn current account of the Company. The repayment takes place as soon as the Company lodge any cash into the account.

21.3 Bank loan:

This represents loan payable to Zenith Bank Plc, Access Bank Plc and First Bank Plc. The loan attracts an interest at the rate of 21% and 19.5% for Zenith and Access banks respectively while 10% for First Bank Pic. Zenith bank loan is secured by personal guarantee of two Directors of the Company (Tanimola Fafunwa and Andrew Ejoh) of the Company supported by their statement of net worth. Domiciliation agreement from CBN proceeds into Zenith.

Borrowings from Access Bank Plc and Zenith Bank Plc are denominated in Naira while First Bank Pic is denominated in Dollars. Most of the Bank loans are past due because of the negative liquidity position of the Company. The Company has initiated discussion with First Fund to restructure the loan. For other loans, efforts are in plan to recover the Company debts to enable it repay the loans.

The fair value of the interest bearing loan is lower than its carrying value because they are expected to be paid in less than twelve months after the year end.

22 Deferred Taxation

22.1 Group

2015	1 January 2015 N'000	Recognised in P or L N'000	Recognised in OCI N'000	2015 N'000
Accelerated depreciation for tax purposes	7,710	(5,400)	_	2,310
Trade and other receivables - impairment lc	(7,710)	5,400	_	(2,310)
	–	–	–	–

2016	1 January 2016 N'000	Recognised in P or L N'000	Recognised in OCI N'000	2016 N'000
Accelerated depreciation for tax purposes	2,310	9,486	_	11,796
Trade and other receivables - impairment lc	(2,310)	(9,486)	_	(11,796)
	–	–	–	–

	Group 2016	2015
Reflected in the statement of Financial Position as follows:	N'000	N'000
Deferred Tax Assets	(11,796)	(2,310)
Deferred Tax Liabilities	11,796	2,310
	–	–

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

Company	1 January	Recognised in	Recognised	
2015	2015	P or L	in OCI	2015
	N'000	N'000	N'000	N'000
Accelerated depreciation for tax purposes	7,710	(5,400)	_	2,310
Trade and other receivables - impairment lc	(7,710)	5,400	_	(2,310)
	-----------	-----------	-----------	-----------
	–	–	–	–
	=======	=======	=======	=======
	1 January	Recognised in	Recognised	
2016	2016	P or L	in OCI	2016
	N'000	N'000	N'000	N'000
Accelerated depreciation for tax purposes	2,310	9,486	_	11,796
Trade and other receivables - impairment lc	(2,310)	(9,486)	_	(11,796)
	-----------	-----------	-----------	-----------
	–	–	–	–
	=======	=======	=======	=======

	Company	
	2016	2015
Reflected in the statement of Financial Position as follows:	N'000	N'000
Deferred Tax Assets	(11,796)	(2,310)
Deferred Tax Liabilities	11,796	2,310
	-----------	-----------
	–	–
	=======	=======

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Company

The group and company has deductible temporary difference of N680.97 million (2015; N775.10 million). Unused tax losses of N329.623 million, (2015; N122.80 million), Unutilised tax credit that arose in Nigeria 2016, N235.49 million (2015; N43.36 million that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Details of unrecognised deferred tax asset is as shown below;

	THE GROUP		THE COMPANY	
	2016	2015	in OCI	2016
	N'000	N'000	N'000	N'000
Trade and other Receivables - impairment lc	(48,727)	(43,705)	(48,727)	(43,705)
Inventories	_	(20,610)	_	(20,610)
Trade and other payable - foreign exchange	(155,564)	(168,216)	(155,564)	(168,216)
Unused tax losses	(98,888)	(36,839)	(98,888)	(36,839)
Unutilised tax credit	(70,646)	(13,008)	(70,646)	(13,008)
	-----------	-----------	-----------	-----------
Unrecognised Deferred tax assets	(373,825)	(282,378)	(373,825)	(282,378)
	=======	=======	=======	=======

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

23. TRADE AND OTHER PAYABLES

	THE GROUP 2016 N'000	2015 N'000	THE COMPANY 2016 N'000	2015 N'000
Trade payables (Note 23.1)	2,747,804	1,901,836	2,746,605	1,882,641
Other payables (23.2)	1,172,696	936,261	960,695	870,609
	3,920,500	2,838,097	3,707,300	2,753,250

23.1 Trade Payables

Trade payables principally comprise amount outstanding for trade purchases and on-going-costs. The average credit period taken for trade purchases is 60 days. For most suppliers, no interest is charged on the trade payable.

23.2 Other payables consists of:

	THE GROUP 2016 N'000	2015 N'000	THE COMPANY 2016 N'000	2015 N'000
Accrued Expenses (Note 23.2.1)	296,625	432,295	268,646	417,956
Sundry Payables (Note 23.2.2)	743,684	434,022	569,622	382,709
Pension Payable (Note 23.2.3)	132,387	69,944	122,427	69,944
	1,172,696	936,261	960,695	870,609

23.2.1 Accrued Expenses

	THE GROUP 2016 N'000	2015 N'000	THE COMPANY 2016 N'000	2015 N'000
Project costs	190,185	432,295	190,185	417,956
Professional fees	106,440	434,022	78,461	382,709
	296,625	866,317	268,646	800,665

23.2.1 Project cost are expenses recognized in cost of goods sold for a particular period but which is not yet a part of Work in Progress at the invoice date.

23.2.2 Professional fees relate to audit and other professional services rendered to Resourcery Plc. The accrual was based on the amount negotiated with the service providers.

23.2.3 Pension payable relates to employer's contribution to the scheme accrued for 2015 and 2016.This has not been paid due to insufficient fund experienced by the Group.

23.2.4 Terms and conditions of the financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables are non-interest bearing and have an average term of six months.

For explanations on the Company's credit risk management processes, refer to note 32

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

23.2.2 Sundry Payables

Sundry payables consists of the following:

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
Sundry Payables :				
Unclaimed Dividend	6,033	6,033	6,033	6033
Nigeria Insurance Trust Fund	13,873	18,776	13,873	15,615
Paye As You Earn	29,569	31,515	24,680	29,317
Withholding tax	99,277	83,507	97,453	82,580
Industrial Training Fund	2,699	3,604	2,699	3,604
Value added tax (VAT)	420,933	290,397	392,558	245,370
Staff fines and penalties	191	190	191	190
Staff payables	171,109	_	32,135	-
	743,684	434,022	569,622	382,709

24 INCOME TAX LIABILITIES

Resourcery Plc measures and records its current income tax payable and its tax bases in its assets and liabilities in accordance with the tax regulations of Nigeria where Resourcery Plc operates.

Resourcery Plc is subject to certain permanent tax differences due to the non-tax deductibility of certain expenses and certain income being treated as non-taxable for tax purposes.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

		THE GROUP		THE COMPANY	
		31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
24.1	Charge to profit or loss:				
	Minimum tax	8,541	11,723	8,541	11,723
		8,541	11,723	8,541	11,723
	Deferred tax	-	39,330	-	39,330
		8,541	51,053	8,541	51,053

The tax rates used in the above comparative figures are the corporate tax rate of 30% payable by the corporate entities in Nigeria. Education tax at rate of 2% on accessible profit is also payable. Technology tax is 1% of profit before tax. in 2016, the company did not have education tax and technology tax because the company recorded assessable loss and loss before tax respectively during the year.

Subsidiaries

No tax was recognised for Resourcery Ghana and Kitskoo because both companies are at their start up stage and are exempted from minimum tax.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

24.2 The income tax expense for the year can be reconciled to the accounting profit as follows:

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
(Loss) before tax:	(794,112)	(877,572)	(760,022)	(853,863)
	=======	=======	=======	=======
Income tax expense calculated at 30%	(238,234)	(263,272)	(228,007)	(256,159)
Minimum tax	8,541	11,723	8,541	11,723
Impact of unutilized tax credit carried forward	238,652	263,850	190,817	258,299
Tax effect on share of Joint venture loss	(809)	(809)	-	-
Unutilised tax losses carried forward	39	39,210	36,839	36,839
Non-deductible expenses for tax purpose	351	351	351	351
	---------	---------	---------	---------
Income tax expense recognised in profit and loss	8,541	51,053	8,541	51,053
	======	======	======	======

The company income tax is based on minimum tax as stated by the Company Income Tax because the Company recorded taxable loss for the year. The group does not recognise education tax and technology tax for the year because the Group recorded assessable loss and loss before tax respectively.

24,3 Current tax liabilities in the statement of financial position:

	THE GROUP		THE COMPANY	
	31-Dec 2016 N'000	31-Dec 2015 N'000	31-Dec 2016 N'000	31-Dec 2015 N'000
At 1 January	31,591	185,217	32,937	185,317
Charge for the year	8,541	11,723	8,541	11,723
	---------	---------	---------	---------
	40,132	196,940	41,478	197,040
Payment during the year	(483)	(1,246)	-	-
Withholding tax credit note utilised	-	(164,103)	-	(164,103)
	---------	---------	---------	---------
At 31 December	39,649	31,591	41,478	32,937
	======	======	======	======

The income tax charge for the year in these financial statements is in accordance with the provision of the Companies Income Tax Act CAP C21, Laws of the Federation of Nigeria 2004 as amended while the Education Tax is in accordance with the provisions of

25 DIVIDEND PROPOSED AND PAID

The directors do not recommend the payment of dividend for the year ended 31 December 2016 (2015:0)

26 INFORMATION REGARDING DIRECTORS AND KEY MANAGEMENT STAFF

Key Management Personnel

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

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

		THE GROUP		THE COMPANY	
		31-Dec 2016	31-Dec 2015	31-Dec 2016	31-Dec 2015
26.1	Directors emoluments:	N'000	N'000	N'000	N'000
	Short term benefits:				
	Fees and other emoluments:				
	Chairman	-	-	-	-
	Other Directors	14,504	14,504	504	504
		14,504	14,504	504	504
	Fees and other emoluments is analysed as:				
	Fees	504	504	504	504
	Other emoluments	14,000	14,000	-	-
		14,504	14,504	504	504
	Highest paid Director	9,998	9,998	9,998	9,998

The directors emoluments falls within the following range:

	THE GROUP		THE COMPANY	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	Number	Number	Number	Number
Less than 5,000,000	4	4	4	4
5,000,001 - 10,000,000	5	5	4	4
	9	9	8	8

		THE GROUP		THE COMPANY	
26.2.	**INFORMATION RELATING TO EMPLOYEES**	2016	2015	2016	2015
26.2.1	Employee costs	N'000	N'000	N'000	N'000
	Aggregate payroll costs:				
	Salary and wages	468,877	547,167	409,213	515,999
	Leave allowance	16,751	19,959	16,751	19,959
	Pension contribution - employer	42,927	47,669	37,042	44,441
	Training and development	5,627	15,113	5,627	14,794
	Staff welfare	86,838	100,863	85,289	99,429
		621,020	730,771	553,922	694,622

	THE GROUP		THE COMPANY	
	31-Dec 2016	31-Dec 2015	31-Dec 2016	31-Dec 2015
	N'000	N'000	N'000	N'000
Staff cost was classified as:				
Administrative expenses	621,020	730,771	553,922	694,622

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS - Continued

		Number	Number	Number	Number
26.3	**STAFF NUMBER**				
	Finance	8	9	8	9
	Customer Fulfillment Group	58	65	58	65
	Business Development Group	42	59	42	59
	Business Support Group	48	45	48	45
		----	----	----	----
		156	178	156	178
		===	===	===	===

26.4 The employees received remuneration (excluding pension contribution and certain benefits) during the year

		THE GROUP		**THE COMPANY**	
		31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
N	N	Number	Number	Number	Number
100,000	- 500,000	17	25	17	25
500,001	- 1,000,000	37	29	37	29
1,000,001	- 3,000,000	53	59	53	59
Above	- 3,000,000	49	65	49	65
		-------	--------	-------	--------
		156	178	156	178
		====	=====	====	=====

27 RELATED PARTY DISCLOSURES

27.1 Trading transactions and nature of relationship:
Related party transactions arose from the Company and its related party.

IMPS LIMIITED
The company is owned by a relative of the entity's Director and it is responsible for collection, warehousing and disbursing fund on behalf of the Company to its foreign suppliers. It is also involved in purchase as well as collection of outstanding fee from the Company’s foreign partner.

The group has not recorded any impairment of receivables relating to amounts owed by related party during the year (2015: Nil). The company reviews its related company receivable for impairment on annual bases.

This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS - Continued

27 RELATED PARTY DISCLOSURES – Continued

27.1 Trading transactions and nature of relationship - Continued

The tables below provide the total amount of transactions that have been entered into with the related party for the relevant

Name	Payment to Related party	Amount owed Related party	Outstanding Receivable
	N'000	N'000	N'000
IMPS Limited	731	-	731
	======	======	=====

	THE GROUP		THE COMPANY	
Name of Party	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	N'000	N'000	N'000	N'000
IMPS Limited	731	12,488	731	12,488
	----------	------------	---------	--------
	731	12,488	731	12,488
	=====	======	======	======

27.2 Loans to related parties:

	Relationship		Interest received		Amount owned by related parties	Amount owned to related parties
					N'000	
Kitskoo Cloud Services Limited	Joint Venture	2016	Nil	Nil	128,783	
		2015			126,349	
		2016	Nil	Nil		
		2015		11%		91,252
Ifeoma Obianwu	Managing Director's Spouse	2016		36%		19,715
		2015	Nil	Nil		10,000
Medstat Ltd	Managing Director's Friend	2016		36%		20,907
		2015	Nil	Nil		12,939
First Fund Limited	Shareholder	2016		18.50%		404,308
		2015		18.50%		360,934

Loan to joint venture

The loan granted to Kitskoo Cloud Services Limited is intended to support its operation and other hardware expansion. The loan is unsecured and repayable in full when the Joint venture is capable. Interest is interest free.

27.3 Terms and conditions of transaction with related parties

The transactions (payment and receipt) with related parties are made on terms equivalent to those that prevail in arm's length transactions. The balance at the year-end is unsecured and interest free and settlement occurs in cash. For the year ended 31 December 2016, the group has not recorded any impairment of receivables relating to amount owed by related parties (2015: Nil).

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

27.4 Nature of the Subsidiaries and Joint venture

27.4.1 **Resourcery Ghana Limited - Resourcery Plc has 100% shareholding in Resourcery Ghana Limited.** Resourcery Plc has power over the investee and also exposure to, or rights to, variable returns from its involvement with the investee and the ability to affect those returns through its power.

27.4.2 **Triversa Solutions Limited – Resourcery Plc has 70% interest in Triversa Solutions Limited.** Resourcery Plc has power over the investee and also exposure to, or rights to, variable returns from its involvement with the investee and the ability to affect those returns through its power.

27.4.3 **Kitskoo Cloud Services Limited** - Resourcery Plc entered into a joint venture with other three (3) Corporate shareholders in setting up the company. Resourcery has 65% shareholding in Kitskoo and hence participate in the operating and financial policy of the company.

27.4.4 First Fund Limited- First fund Limited is a major shareholder of the company with holdings of 30.92%. In 2011, it issued four(4) years unsecured convertible redeemable notes at a base rate of 18.5% per annum

27.5 Key management personnel

List of Directors of Resourcery Ghana Limited

Tani Fafunwa	-	Director
Akanimo Ekong	-	Director

List of key management of staff Resourcery Ghana Limited

Tani Fafunwa	-	Director
Akanimo Ekong	-	Director

List of Directors of Triversa Solutions Limited

Andrew Ejoh	-	Director
Akanimo Ekong	-	Director
Williams Omotayo Olufemi	-	Director
Sowade Olajide Bolarinwa	-	Director
Olawoye Damilola	-	Director

List of key management staff of Triversa Solutions Limited

Andrew Ejoh	-	Director
Akanimo Ekong	-	Director

28 CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2016 (2015: Nil)

Guarantees

The group has a bond guarantee line with Guaranty Trust Bank Plc amounting to N218,269Million (2015: N23.451Million) as at the reporting date.

29 CAPITAL COMMITMENTS

There were no known capital commitments as at 31 December 2016 (2015: Nil)

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

30 MATERIAL UNCERTAINTY TO GOING CONCERN

The Group recorded a net loss of N802.7 million for the year ended 31 December 2016 (2015: N 928.6 million) (Company: N 768.8 million (2015: N 904.9 million)) and as at that date, it has net current liabilities of N192.2 million (2015: net current assets of N589.7 million) (Company: N 83.1 million (2015: net current assets of N 669.2)) and net liabilities of N86.4 million (2015: -Net assets of N746.4 million) (Company: net asset of N 149.9 million (2015: N 917.1)). Also, the Company has been unable to meet up with its loan repayment as at when due which makes all the existing loan past due and hence current.

The management has set up a Committee with the responsibility of putting risk assessment processes in place in ensuring the Group returns to a profitable position. The risk assessment process put in place includes effective Job Order assessment which involves detailed review of all contracts and collection of contract advance on all Purchase Orders. These initiatives along with the other cost savings actions are forecast to return the Company to profitability. Also, the Company is currently planning to negotiate and restructure N404.03 million loan from its related part (First Fund Limited) and plan to repay the other loans as soon as the liquidity position of the Company improves. However the timing and extent to which these developments will enable the group returns to profitability and solvency is not certain at this stage.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

32 EVENTS AFTER REPORTING DATE

There are no events or transactions that occurred since the statement of financial position date which would have a material effect upon the consolidated and separate financial statements at that date or which need to be mentioned in the consolidated and separate financial statements in order not to make them misleading as to the financial position or result of the operation.

33 FINANCIAL RISK MANAGEMENT

33.1 Financial risk management objectives and policies

The group's principal financial liabilities comprise of Interest bearing loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, cash and short-term deposit and available for sale investments. The group is exposed to the following risks from its use of financial instruments:

(i) Credit risk
(ii) Liquidity risk
(iii) Market risk

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

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

33. Financial Risk Management - Continued

Risk management framework
The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the strategic and finance planning committee, which is responsible for developing and monitoring the group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

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

The group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The committee is supported by various management functions and checks that undertakes both regular and ad hoc reviews of compliance with established controls and procedures.

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

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

	THE GROUP		THE COMPANY	
	31-Dec-16	**31-Dec-15**	**31-Dec-16**	**31-Dec-15**
	N'000	N'000	N'000	N'000
Trade and other receivables	2,786,849	1,794,373	2,751,929	1,884,345
Cash and short-term deposits	56,009	293,601	54,752	237,701
	2,842,858	2,087,974	2,806,681	2,122,046

Consist of trade receivable, Staff advance, due fro related parties, deposit to suppliers and restricted bank balance

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

33. Financial Risk Management - Continued

33.1 Financial risk management objectives and policies - Continued

Trade and other Receivables

Management has credit policies in place and the exposure to credit risk is managed on an on-going basis by an established Credit Control Unit in the finance department. The risk of bad credit is minimised such that advance payments are built into the payment terms for most customers.
The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are specific loss component that relates to individually significant exposures.

The impairment loss at 31 December 2015 relates to several clients that are not expected to be able to pay their outstanding balances, mainly due to economic circumstances. The impairment loss is included in administrative expenses.

Cash and short-term deposit

The cash and short term deposit held as at 31 December 2016 was N56,01 million (2015: N293,60 million) by Group and N N54,75 million (2015: N237,70 billion) by the Company.

The cash and short-term deposit are held by banks and financial institutions in Nigeria and Ghana.

Credit risk from balances with banks and financial institutions is managed by the Chief Financial Officer in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Audit Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The group has a clear focus on ensuring sufficient access to capital to finance growth and to refinance maturing debt obligations. As part of the liquidity management process, the Group has various credit arrangements with some banks which can be utilised to meet its liquidity requirements. At the year end, the Group had N219,807million (2015: N200.544 million) utilized credit arrangements under loan and overdraft agreements respectively with its bankers.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

33.1 Financial risk management objectives and policies - Continued

Typically the credit terms with clients are more favorable compared to payment terms to its vendors in order to help provide sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Non-derivative financial liabilities:

	On demand N'000	Less than 3 months N'000	3 to 12 months N'000	1-2 years N'000	2-5 years N'000
THE GROUP					
31 December 2016:					
Short term loans and borrowings	-		-	-	-
		1,323,056			
Trade and other payables	-	3,920,500	-		-
		5,243,556	-	-	-
31 December 2015:					
Overdraft from banks: includes short-term loan	-	1,023,234	-	-	-
Trade and other payables	-	2,838,097	-		-
		3,861,331	-	-	-
THE COMPANY					
31 December 2016:					
Overdraft from banks: includes short-term loan		1,323,056	-	-	-
Trade and other payables		3,707,300	-	-	-
	-	5,030,356	-	-	
31 December 2015:					
Overdraft from banks: includes short-term loan	-	1,023,234	-	-	-
Trade and other payables	-	2,752,977	-	-	-
	-	3,776,211	-	-	

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

33.1 Financial risk management objectives and policies - Continued

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Equity Price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the board of directors on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

	Change in price	Effect on equity
Access Bank	10%	1,870,578
	-10%	(1,870,578)
Courtville	5%	200,000
	-5%	(200,000)

Currency risk

The company is exposed to currency risk on sales and purchases and borrowings that are denominated in a currency other than the functional currency of the Company, primarily the Naira. The currency in which these transactions primarily are denominated is US Dollars (USD), British Pound Sterling (GBP) and Ghana Cedis. The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates. To manage the risk, the company design a pricing term by industry which is agreed and included in its quotation. It also requires to contract substantial amount of transactions in Naira which is the Company's functional currency.

In managing currency risk, the Group aims to reduce the impact of short-term fluctuations on earnings. The group has no export sales but it has clients that are invoiced in NGN but with FX indexation. The group's significant exposure to currency risk relates to its loan facilities that are mainly in USD. Although the Group has various measures to mitigate exposure to foreign exchange rate movement over the longer term, the gains/losses on foreign exchange balances impact on the income statement. The group monitors the movement in the currency rates on an on-going basis.

Sensitivity analysis

The strengthening of the Naira, as indicated below against the Dollar at 31 December 2016 would have increased/(decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period and has no impact on equity. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis at 31 December 2016, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below:

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

33.1 Financial risk management objectives and policies - Continued

Group

	Change in US$ rate	Effect on profit before tax	Effect on equity
2016	9%	(79,415, 459)	(79,415,459)
	-9%	79,415, 459	79,415,459
2015	5%	(77,102,387)	(77,102,387)
	-5%	77,102,387	77,102,387

	Change in GBP rate	Effect on profit before tax	Effect on equity
2016	9%	(103,456)	(103,456)
	-9%	103,456	103,456

	Change in EUR rate	Effect on profit before tax	Effect on equity
2016	5%	(148,303)	(148,303)
	-5%	148,303	148,303

	Change in CEDI rate	Effect on profit before tax	Effect on equity
2016	5%	2,877,086	2,877,086
	-5%	(2,877,086)	(2,877,086)

Foreign currency balances in 2016	Group				Company		
	USD	GBP	EUR	CEDI	USD	GBP	EUR
Financial asset							
Cash and cash equivalent	40,946	1,003	84	3	40,946	1,003	84
Financial liabilities	-	-	-	-	-	-	-
Interest bearing loan and borrowings	(1,702,389)	-	-	-	(1,702,389)	-	-
Trade and other payables	(6,432,495)	(1,575)	-	-	(6,432,495)	(1,575)	-
Foreign currency balances in 2015							
Financial asset							
Cash and cash equivalent	44,042	1,003	84	-	44,042	1,003	84
Financial liabilities	-	-	-	-	-	-	-
Interest bearing loan and borrowings	(65,000)	-	-	-	(65,000)	-	-
Trade and other payables	(7,733,869)	(7,844)	(13,799)	-	(7,733,869)	(7,844)	(13,799)

Interest rate risk profile:
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to the risk of changes in market interest rates. The changes in interest rate would not significantly affect the profit reported by the group as the interests on the loan are fixed.

Capital risk management
The board'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, which the Company defines as result from operating activities divided by total shareholders' equity. It also uses gearing ratio which is net debt divided by total capital plus net debt. The group policy is to adequately maintain its gearing ratio. The group and Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND
SEPARATE FINANCIAL STATEMENTS - Continued

	THE GROUP		THE COMPANY	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	N'000	N'000	N'000	N'000
Total borrowings (Note 21)	1,323,056	1,023,234	1,323,056	1,023,234
Less: Cash and cash equivalents (Note 18)	(56,009)	(293,694)	(54,752)	(237,701)
Net debt	1,267,047	729,540	1,268,304	785,533
Total equity	(74,981)	753,321	149,867	917,135
Total capital Employed	1,192,066	1,481,861	1,418,171	1,702,668
Gearing ratio	106.29	49.23	89.43	46.14

There were no changes in the Company's approach to capital management during the year.

The group is not subject to externally imposed capital requirements.

34 FAIR VALUE

See out below is a comparison by class of the carrying amount and fair value of the Group's financial instruments that are carried in the consolidated and separate financial statements

	2016		2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	N'000	N'000	N'000	N'000
THE GROUP				
Financial assets				
Available for sale financial asset	24,001	24,001	22,706	22,706
Total				
Financial Liabilities	1,323,056	1,104,248	1,023,234	810,788
Interest bearing loan				
	1,347,057	1,128,249	1,045,940	833,494
Total				
THE COMPANY				
Financial assets				
Available for sale financial asset	24,001	24,001	22,706	22,706
Total				
Financial Liabilities	1,323,056	1,104,248	1,023,234	810,788
Interest bearing loan				
	1,323,056	1,128,249	1,061,940	849,494
Total				

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

34 FAIR VALUE -Continued

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values: Fair value of the Company's interest bearing loans and borrowing are determined by using the DCF method using a discount rate that reflects the issuer's borrowing rate, including its own non- preference risk as at 31 December 2016

Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Hence comparison between carrying values and fair values were not provided for these items.

Fair value of quoted notes is based on price quotations at the reporting date. The fair values of loans from banks and other financial liabilities, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

34.1 Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy as at 31 Decembe 2016 and 2015 are shown below:

	Valuation technique
Interest bearing loan and borrowings	DCF method

34.2 FAIR VALUE MEASUREMENT

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities. Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2016:

The Group	Date of valuation		Fair Value Measurement using		
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		N'000	N'000	N'000	N'000
Assets measured at fair value:					
Available-for-sale financial investments (Note 14)					
Quoted equity shares	31-Dec-16	24,001	24,001		
	31-Dec-15	22,706	22,706		

There have been no transfers between Level 1 and Level 2 during the period.

	Date of valuation		Fair Value Measurement using		
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		N'000	N'000	N'000	N'000
Liabilities for which fair values are disclosed:					
Interest-bearing loans and borrowings	31 Dec, 2016	1,104,248		1,104,248	
	31 Dec, 2015	810,788		810,788	

There have been no transfers between Level 1 and Level 2 during the period.

RESOURCERY PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

34.3 FAIR VALUE MEASUREMENT - Continued

The Company

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2015:

	Date of valuation		Fair Value Measurement using		
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		N'000	N'000	N'000	N'000
Assets measured at fair value:					
Available-for-sale financial investments (Note 14)					
Quoted equity shares	31-Dec-16	24,001	24,001		
	31-Dec-15	22,706	22,706		

There have been no transfers between Level 1 and Level 2 during the period.

	Date of valuation		Fair Value Measurement using		
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		N'000	N'000	N'000	N'000
Liabilities for which fair values are disclosed:					
Interest-bearing loans and borrowings	31 Dec, 2016	1,104,248		1,104,248	
	31 Dec, 2015	810,788			

There have been no transfers between Level 1 and Level 2 during the period.

RESOURCERY PLC
CONSOLIDATED AND SEPARATE STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2015

	IFRS 31-Dec 2016 N'000		IFRS 31-Dec 2015 N'000		IFRS 31-Dec 2016 N'000		IFRS 31-Dec 2015 N'000	
Revenue	3,861,849		4,901,628		3,584,821		4,712,634	
- Other income	70,229		31,980		65,286		29,100	
Less: Bought in materials and services								
- Imported	(3,135,108)		(3,757,057)		(2,934,937)		(3,615,562)	
- Local	(783,777)		(939,264)		(733,734)		(903,890)	
VALUE ADDED/((CONSUMED)	13,193		237,287		(18,564)		222,282	
APPLIED AS FOLLOWS:								
To pay employees:								
- Salaries, wages and other allowances	578,093	288	683,102	60	516,880	293	650,181	58
To pay government:								
- Income tax	8,541	5	11,723	8	8,541	5	11,723	8
To pay providers of capital:								
- Finance costs	197,913	158	375,808	23	196,012	167	372,197	23
To provide for replacement of assets and development:								
- Depreciation charge on Property, plant & equipment	26,553	22	51,203	9	23,820	22	49,021	9
- Amortisation of intangible assets	4,746	2	4,746	-	4,746	2	4,746	-
- Deferred taxation	-	17	39,330	(4)	-	18	39,330	(4)
- (Loss)/profit for the year	(802,653)	(391)	(928,625)	4	(768,563)	(-407)	(904,916)	6
	13,193	100	237,287	100	(18,564)	100	222,282	100

The value added represents additional wealth created by its own and employees' efforts. This statement shows the allocation of that wealth to employees, provider of finance, shareholders, government and that retained for the future creation of more wealth.

RESOURCERY PLC
FIVE-YEAR FINANCIAL SUMMARY- GROUP

	2016	2015	2014	2013	2012
	N'000	N'000	N'000	N'000	N'000
Non-current assets	105,805	156,702	231,337	288,643	193,877
Current assets	5,091,039	4,482,647	6,172,000	5,229,725	5,336,909
	-----------	-----------	-----------	-----------	-----------
TOTAL ASSETS	5,196,844	4,639,349	6,403,337	5,518,368	5,530,786
	========	========	========	========	========
Equity	(74,981)	752,321	1,675,339	975,180	1,312,478
Non -Controlling interest	(11,380)	(5,894)	-	-	-
	-----------	-----------	-----------	-----------	-----------
TOTAL EQUITY	(86,361)	746,427	1,675,339	975,180	1,312,478
	========	========	========	========	========
Non-Current Liabilities	-	-	-	869,028	1,131,968
Current Liabilities	5,283,205	3,892,922	4,727,998	3,674,160	3,086,340
	-----------	-----------	-----------	-----------	-----------
TOTAL LIABILITIES	5,283,205	3,892,922	4,727,998	4,543,188	4,218,308
	-----------	-----------	-----------	-----------	-----------
TOTAL EQUITY AND LIABILITIES	5,196,844	4,639,349	6,403,337	5,518,368	5,530,786
	========	========	========	========	========
Revenue	3,861,849	4,901,628	7,297,700	5,931,341	5,193,000
(Loss)/ profit before taxation	(794,112)	(877,572)	109,271	(359,980)	134,582
Taxation	(8,541)	(51,053)	(52,563)	(14,399)	(75,347)
(Loss)/ profit for the year	(802,653)	(928,625)	56,708	(374,379)	59,235
Other Comprehensive (loss)/income for the year	(30,135)	(587)	1,159	37,081	-
Total comprehensive (loss)/income for the year	(832,788)	(929,212)	57,867	(337,298)	59,235
(Loss)/ earnings per share					
- Basic	(0.25)	(0.27)	0.02	(0.15)	0.02
Net assets per share					
- Actual (kobo)	(0.025)	0.01	0.01	2.14	2.15
	=====	=====	=====	====	====

RESOURCERY PLC
FIVE-YEAR FINANCIAL SUMMARY - COMPANY

	2016	2015	2014	2013	2012
	N'000	N'000	N'000	N'000	N'000
Non-current assets	232,993	247,974	322,384	378,149	269,018
Current assets	4,988,708	4,478,582	6,200,723	5,254,528	5,311,982
	-----------	-----------	-----------	-----------	-----------
TOTAL ASSETS	5,221,701	4,726,556	6,523,107	5,632,677	5,581,000
	========	========	========	========	========
Equity	149,867	917,135	1,826,855	1,104,908	1,368,330
	-----------	-----------	-----------	-----------	-----------
TOTAL EQUITY	149,867	917,135	1,826,855	1,104,908	1,368,330
	-----------	-----------	-----------	-----------	-----------
Non-Current Liabilities	-	-	-	-	869,028
Current Liabilities	5,071,834	3,809,421	4,696,252	3,684,112	3,082,302
	-----------	-----------	-----------	-----------	-----------
TOTAL LIABILITIES	5,071,834	3,809,421	4,696,252	4,553,140	4,212,670
	-----------	-----------	-----------	-----------	-----------
TOTAL EQUITY AND LIABILITIES	5,221,701	4,726,556	6,523,107	5,632,677	5,581,000
	========	========	========	========	========
Revenue	3,584,821	4,712,634	7,200,117	5,408,801	5,912,278
(Loss)/ profit before tax	(760,022)	(853,863)	133,578	(250,383)	161,865
Taxation	(8,541)	(51,053)	(52,563)	(14,399)	(75,245)
(Loss)/ profit for the year	(768,563)	(904,916)	81,015	(264,782)	86,620
Other Comprehensive (loss)/income for the year;net of tax	1,295	(4,804)	(1,360)	37,081	-
Total comprehensive (loss)/income for the year, net of tax	(767,268)	(909,720)	79,655	(263,422)	86,620
(Loss)/ earnings per share					
- Basic	(0.23)	-0.27	0.02	-0.11	0.03
Net assets per share					
- Actual (kobo)	0.04	0.01	0.75	2.19	2.17
	=====	=====	=====	====	====

PROXY FORM

27th Annual General Meeting to be held at 10.00 a.m. on Tuesday 19th December 2017 at Muson Center, Onikan, Lagos

I/We* ____________________________ of ____________________________, being a member/members of Resourcery Plc hereby

appoint**__________________ ________________________________ or failing him/her, 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 Tuesday 19th December, 2017, and at any adjournment thereof.

Signed this ____ day of ___________ 2017

Signature ______________________

I/We desire this proxy to be used in favour of/or against the resolution as indicated below.

S/N	RESOLUTION	FOR	AGAINST
1	To receive and consider the report of the Directors and the Financial Statements for the year ended 31st December, 2016 and the Reports of the Directors, Auditors thereon		
2	To elect/re-elect Director(s) retiring by rotation		
3	To re-appoint External Auditors		
4	To authorize Directors to fix the remuneration of the External Auditors for the ensuing year		
5	To elect members of the Audit Committee		
6	To consider and if thought fit pass with or without modification, the following ordinary resolution: "That the appointment of Mr. Ike Onyia as a Director be, and is hereby ratified."		
Please indicate with "X" in the appropriate box how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.			

IMPORTANT NOTE

A member who is unable to attend an Annual General meeting is allowed by law to vote by proxy. A proxy form has been prepared to enable you exercise your right in case you cannot personally attend the meeting. The proxy form should not be completed if the member is attending the meeting.

If you are unable to attend, read the following instructions very carefully:

(a.) Write your name in BLOCK CAPITALS on the proxy form where marked*

(b.) Write your name of your proxy where marked**, and ensure the proxy form is dated and signed by you. The Common Seal should be affixed on the proxy form if executed by a corporation

©.) The proxy form must be posted so as to reach the address shown overleaf not later than 48 hours before the time for holding the meeting.

Before posting the above proxy form, please tear off this part and retain it for admission to the meeting

ADMISSION CARD

Resourcery Plc

27th Annual General Meeting to be held at 10.00 a.m. on Tuesday 19th December 2017 at Muson Center, Onikan, Lagos

Name of Shareholder:

Signature of person attending:

NOTE

The admission card must be produced by the shareholder or his/ her proxy in order to be admitted at the meeting. Shareholders or the proxies are requested to sign the admission card at the entrance in the presence of the Registrar on the day of Annual General Meeting.

JACKSON, ETTI & EDU
Company Secretaries

Jackson Etti & Edu
Secretary

Affix
Current Passport
(To be stamped by Bankers)

Please write your name at the back of your passport photograph

EDC REGISTRARS LIMITED

E-DIVIDEND ACTIVATION FORM

Instruction:

Only Clearing Banks are acceptable

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

THE REGISTRAR
EDC REGISTRARS LIMITED RC 475195
154 IKORODU ROAD, ONIPANU , LAGOS

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 detailed below:

Kindly tick & quote your shareholder account no. in the box below:

Tick	Name of Company	Shareholder Number
	Resourcery Plc	

Bank Verification Number

Bank Name

Bank Branch/Address

Bank Account Number

Account Opening Date

Shareholder Account Information
Surname/Company name First name Other Names

Address:

City State Country

Previous Address (If any)

CHN (If any)

Mobile Telephone (1) Tel (2)

E-mail Address

Signature(s)

Company Seal (if applicable)

Joint/Company's Signatories **Authorised Signature of Bank/Stamp**

For enquiries, please call 01-4538671-4 or send email to EdcRegComplaints@ecobank.com