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MATRIC NO: 17/SMS02/001

TITLE OF TERM PAPER : ACCOUNTING RATIOS

Industrials Sector

**JULIUS BERGER**

SHORT TERM SOLVENCY /LIQUIDITY RATIOS

* Current Ratio= Current Assets

 Current Liabilities

 =125,039,446

 73,196,234

 = 1:71

 =>1

ANALYSIS The company was able to meet their excessive amount of current assets and fully utilization of their resources towards the business.

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 = 125,039,446- 11,304,296

 73,196,234

 =1:55

 = >1

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently more than dangote company.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 91,108,522 × 365 days

 170,326, 746

 =195.2

 =195days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them.

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 =8,471,491 × 365 days

 132,254,711

 =23.4

 = 23 days

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company.

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 11,304,296 × 365 days

 132,254,711

 =32 days

ANALYSIS This measures the average number of days that the company inventory still remains in the store which hasn’t been sold out yet.

* Receivables Turnover = Credit Sales × 365 days

 Average Receivables

 = 170,326, 746 × 365 days

 91,108,522

 =682.3

 = 682 days

 ANALYSIS: This expresses how the company have taking an amount of money from the business during a particular reporting period.

* Payables Turnover = Credit Purchases × 365 days

 Average Payables

 =132,254,711 × 365 days

 8,471,491

 =5698.2

 = 5698 days

ANALYSIS: This expresses how the company haven’t paid the amount of money which was taken from the business during a particular reporting period.

* Inventory Turnover = Cost of Sales × 365 days

 Average Inventory

 = 132,254,711 × 365 days

 11,304,296

 = 4270.3

 =4270days

ANALYSIS This measures how an inventory is produced from the period in which the inventory is produced up to the period the inventory is being sold.

EFFICIENCY/PROFITABILITY RATIO

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 6,630,667

 194,864,153

 = 0.03

Capital Employed = Total Assets – Current Liabilities

 =268,060,387 – 73,196,234

 =194,864,153

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

* Gross Margin= Gross Profit × 100%

 Sales

 = 38,072,035 × 100%

 170,326,746

 = 22.3%

ANALYSIS: This shows the percentage gross profit that the company has made.

* Net Profit Margin = Net Profit × 100%

 Sales

 = 4,641,627 × 100%

 132,254,711

 = 3.51%

ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 =78,012 × 100%

 20,834,381

 = 3.74

 =4%

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses.

* Expenses to Sales = Individual Expenses × 100%

 Sales

 =78,012 × 100%

 170,326,746

 =4.58

 =5%

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expanses is fallen slower than sales of the company.

INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 4,641,627- 1,322,000

 1,320,000

 =2.51

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period.

* Price Earnings Ratios = Market Per Share

 Earnings Per Share

 = 0.50

 2.51

 = 0.20 times

ANALYSIS This explains the number of years earnings of the company would take

* Earnings Yield = Earnings Per Share

 Market Per Share

 = 2.51

 0.50

 = 5.02

ANALYSIS This shows that the company has a potential return on the shareholders investment

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 16,710,922

 1,320,000

 = ₦13

ANALYSIS This indicates that the company’s amount of net assets is attributable to

each ordinary share that is issued.

Net Assets= (Total Fixed Assets + Total Current Assets) – ( Total Current Liabilities + Total Long term Liabilities)

 = 268,060,387 - 251,349,465 =16,710,922

 =16,710,922

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 = 1,322,000

 1,320,000

 =₦1.00

ANALYSIS This shows that the company amount of gross dividends is declared on every issued ordinary shares ranking for dividends in a reporting year.

* Dividend Payout Ratio = Dividend Per Share × 100%

 Earnings Per Share

 = 1.00

 2.51

 = 40%

ANALYSIS This shows that the amount of what the company is attributable to in earnings is being paid to the ordinary shareholders in the form of dividends.

* Dividend Yield = Dividends Per Share × 100%

 Market Per Share

 = 40 × 100%

 0.50

 = 8000%

ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity.

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 = 4,641,627- 1,322,000

 1,322,000

 = 3 times

ANALYSIS This is measuring the number of times that the ordinary dividend is covered by distributable earnings.

LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Debt

 Total Capital

 = 194,864,153

 660,000

 =295.2

ANALYSIS This measures how the degree of vulnerability of the company towards the financial risk attached to fixed interest securities.

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

 = 6,630,667

 5,464,539

 = 1.21

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that the have the higher level of confidence for lenders in the ability of the company to pay the loans.

* Total Debt to Shareholders’ Fund = Non Current Liabilities + Current Liabilities

 Equity

 =178,153,231 +73,196,234

 16,710,922

 =251,349,465

 16,710,922

 =15.04

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities.

**DANGOTE COMPANY**

 SHORT TERM SOLVENCY /LIQUIDITY RATIOS

 ₦’million

* Current Ratio= Current Assets

 Current Liabilities

 = 441,026

 284,759

 =1:55

 =>1

ANALYSIS The company was able to meet their excessive amount of current assets and fully utilization of their resources towards the business.

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 = 441,026- 59,820

 284,759

 =1:34

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 11,046 × 365 days

 618,301

 = 6.52

 = 7 days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them.

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 92,879 × 365 days

 170,288

 = 199 days

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company which is taking more days than Julius Berger company.

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 59,820 × 365 days

 170,288

 = 128 days

ANALYSIS This measures the average number of days that the company inventory still remains in the store which hasn’t been sold out yet.

* Receivables Turnover = Credit Sales × 365 days

 Average Receivables

 =618,301 × 365 days

 11,046

 =20431 days

 ANALYSIS: This expresses how the company have taking an amount of money from the business during a particular reporting period.

* Payables Turnover = Credit Purchases × 365 days

 Average Payables

 = 170,288× 365 days

 92,879

 = 669 days

ANALYSIS: This expresses how the company haven’t paid the amount of money which was taken from the business during a particular reporting period.

* Inventory Turnover = Cost of Sales × 365 days

 Average Inventory

 = 170,288 × 365 days

 59,820

 =1039 days

ANALYSIS This measures how an inventory is produced from the period in which the inventory is produced up to the period the inventory is being sold.

EFFICIENCY/PROFITABILITY RATIO

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 392,223

 1,437,215

 = 0.27

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

Capital Employed = Total Assets – Current Liabilities

 = 1,721,974 - 284,759

 = 1,437,215

* Gross Margin= Gross Profit × 100%

 Sales

 = 448,013 × 365 days

 618,301

 =264 days

ANALYSIS: This shows the percentage gross profit that the company has made.

* Net Profit Margin = Net Profit × 100%

 Sales

 = 481,456 × 100%

 618,301

 = 78%

ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity.

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 27,108 × 100%

 116,386

 = 23.29 %

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses.

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 27,108 × 100%

 618,301

 = 4.38%

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expanses is fallen slower than sales of the company.

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INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 481,456 – 178,925

 20,000

 = 15.12

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period.

* Price Earnings Ratios = Market Per Share

 Earnings per Share

 = 0.50

 15.12

 = 0.03 times

ANALYSIS This explains the number of years earnings of the company would take.

* Earnings Yield = Earnings Per Share

 Market Per Share

 = 15.12

 0.50

 = 30.24

ANALYSIS This shows that the company has a potential return on the shareholders investment.

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 1293548

 8520000000

 = 1.52

ANALYSIS This indicates that the company’s amount of net assets is attributable to

each ordinary share that is issued

Net Assets= (Total Fixed Assets + Total Current Assets) – ( Total Current Liabilities + Total Long term Liabilities)

= (1,280,948 + 441,026) – (284,759 + 143,667)

=1,721,974 – 428,426

= 1293548

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 = 178,925

 20,000

 = 8.95

ANALYSIS This shows that the company amount of gross dividends is declared on every issued ordinary shares ranking for dividends in a reporting year.

* Dividend Payout Ratio = Dividend Per Share × 100%

 Earnings Per Share

 = 8.95 × 100%

 30.24

 = 30%

ANALYSIS This shows that the amount of what the company is attributable to in earnings is being paid to the ordinary shareholders in the form of dividends.

* Dividend Yield = Dividends Per Share × 100%

 Market Per Share

 = 8.95 × 100%

 0.50

 = 1790%

ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 = 481,456

 178,925

 = 2.69

ANALYSIS This is measuring the number of times that the ordinary dividend is covered by distributable earnings.

LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Fixed Interest loans+ Preference share capital

 Ordinary shares capital + Reserves

 = 8520

 ANALYSIS This measures how the degree of vulnerability of the company doesn’t have towards the financial risk attached to fixed interest securities. So therefore th company is not vulnerable

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

 = 392,223

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that the company have lower level of confidence for lenders in the ability of the company to pay the loans

* Total Debt to Shareholders’ Fund = Non Current Liabilities + Current Liabilities

 Equity

 = 143,667 + 284,759

 1,293,548

 = 0.33

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities.

CONSUMER GOODS

**NIGERIAN BREWERIES (STAR)**

SHORT SOLVENCY/ LIQUIDITY RATIOS

* Current Ratio= Current Assets

 Current Liabilities

 = 86,282,924

 81,738,989

 = 10.55

 =>1

ANALYSIS The company was able to meet their excessive amount of current assets and fully utilization of their resources towards the business

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 =86,282,924- 32,506,824

 81,738,989

 = 0.66

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 35,153,451 × 365 days

 350,226,472

 =36.6

 =37days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them.

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 114,881,134 × 365 days

 197,484,694

 =212.3

 =212 days

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 32,506,824 × 365 days

 197,484,694

 =60days

ANALYSIS This measures the average number of days that the company inventory still remains in the store which hasn’t been sold out yet.

* Receivables Turnover = Credit Sales × 365 days

 Average Receivables

 = 350,226,472 × 365 days

 35,153,451

 =3636 days

ANALYSIS: This expresses how the company have taking an amount of money from the business during a particular reporting period.

* Payables Turnover = Credit Purchases × 365 days

 Average Payables

 = 197,484,694 × 365 days

 114,881,134

 =627 days

ANALYSIS: This expresses how the company haven’t paid the amount of money which was taken from the business during a particular reporting period.

* Inventory Turnover = Cost of Sales × 365 days

 Average Inventory

 = 197,484,694 × 365 days

 32,506,824

 = 2217 days

ANALYSIS This measures how an inventory is produced from the period in which the inventory is produced up to the period the inventory is being sold.

 EFFICIENCY / PROFITABILITY RATIOS

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 29,359,828

 248, 383,173

 =0.12

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

Capital Employed = Total Assets – Current Liabilities

 = 388,766,316 - 140,383,143

 = 248, 383,173

* Gross Profit Margin = Gross Profit × 100%

 Sales

 = 126,903,806 × 100%

 350,226,472

 = 36%

ANALYSIS: This shows the percentage gross profit that the company has made

* Net Profit Margin = Net Profit × 100%

 Sales

 = 19,401,169 × 100%

 350,226,472

 =5.53

 = 6%

ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 70,052,363 × 100%

 90832372

 = 77%

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 70,052,363 × 100%

 350,226,472

 = 20%

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expanses is fallen slower than sales of the company.

INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 19,401,169 - 7,931,759

 7,996,902,051

 = 1.43

 ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period.

* Price Earnings Ratios = Market Per Share

 Earnings Per Share

 = 0.50

 1.43

 = 0.35

ANALYSIS This explains the number of years earnings of the company would take

* Earnings Yield = Earnings Per Share

 Market Per Share

 = 1.43

 0.50

 = 2.86

ANALYSIS This shows that the company has a potential return on the shareholders investment

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 166,644,184

 7,996,902,051

 = 0.02

ANALYSIS This indicates that the company’s amount of net assets is attributable to each ordinary share that is issued

Net Assets= (Total Fixed Assets + Total Current Assets) – ( Total Current Liabilities + Total Long term Liabilities)

 = (302,483,392 + 86,282,924) – (140,383,143 + 81,738,989)

 = 166,644,184

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 ANALYSIS This shows that the company wasn’t ablt to pay the amount of gross dividends as declared on every issued ordinary shares ranking for dividends in a reporting year.

* Dividend Payout Ratio = Dividend Per Share × 100%

 Earnings Per Share

 =

 19,401,169

ANALYSIS This shows that the amount of what the company is attributable to in earnings is not being paid to the ordinary shareholders in the form of dividends as a result that the company wasn’t solvent enough

* Dividend Yield = Dividends Per Share

 Market Per Share

 =

ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity which the company is not strong enough

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 = 19,401,169

ANALYSIS This is measuring the number of times that the ordinary dividend is covered by distributable earnings that the company couldn’t afford.

LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Debt

 Total Capital

 ANALYSIS This measures how the degree of vulnerability of the company towards the financial risk attached to fixed interest securities which they weren’t capable of.

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

 = 29,359,828

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that the have the lower level of confidence for lenders in the ability of the company to pay the loans as result that the company couldn’t pay interest.

* Total Debt to Shareholders’ Fund = Non-Current Liabilities + Current Liabilities

 Equity

 = 81,738,989 + 140,383,143

 166,644,184

 = 222,122,132

 166,644,184

 = 1.33

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities.

**GUINESS NIGERIA PLC**

 SHORT TERM SOLVENCY /LIQUIDITY RATIOS

 ₦’000

* Current Ratio= Current Assets

 Current Liabilities

 = 54,610,047

 42,847,115

 = 1.27

 = >1

ANALYSIS The company was able to meet their excessive amount of current assets and fully utilization of their resources towards the business

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 = 54,610,047-19,032,362

 42,847,115

 = 0.83

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 23,890,304 × 365 days

 142,975,792

 = 60.99

 = 61 days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them.

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 31,175,725 × 365 days

 94,350,387

 = 120.61

 = 121 days

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 19,032,362 × 365 days

 94,350,387

 = 73.63 days

 = 74 days

ANALYSIS This measures the average number of days that the company inventory still remains in the store which hasn’t been sold out yet.

* Receivables Turnover = Credit Sales × 365 days

 Average Receivables

 = 142,975,792 × 365 days

 23,890,304

 = 2184 days

ANALYSIS: This expresses how the company have taking an amount of money from the business during a particular reporting period

* Payables Turnover = Credit Purchases × 365 days

 Average Payables

 = 94,350,387 × 365 days

 31,175,725

 = 1105 days

ANALYSIS: This expresses how the company haven’t paid the amount of money which was taken from the business during a particular reporting period.

* Inventory Turnover = Cost of Sales × 365 days

 Average Inventory

 = 94,350,387 × 365 days

 19,032,362

 = 1809 days

ANALYSIS This measures how an inventory is produced from the period in which the inventory is produced up to the period the inventory is being sold.

 EFFICIENCY / PROFITABILITY RATIOS

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 9,943,164

 110,407,853

 = 0.09

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

Capital Employed = Total Assets – Current Liabilities

 = 153,254,968 - 42,847,115

 = 110,407,853

* Gross Profit Margin = Gross Profit × 100%

 Sales

 = 48,625,405 × 100%

 142,975,792

 = 34%

ANALYSIS: This shows the percentage gross profit that the company has made

* Net Profit Margin = Net Profit × 100%

 Sales

 = 6,717,605 × 100%

 142,975,792

 = 5%

ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 26,012,074× 100%

 35,907,520

 = 72%

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses.

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 26,012,074 × 100%

 142,975,792

 = 18%

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expanses is fallen slower than sales of the company.

INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 6,717,605 -963,768

 2,500,000

 = 2.30

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period.

* Price Earnings Ratios = Market Per Share

 Earnings Per Share

 = 0.50

 2.30

 =0.22

ANALYSIS This explains the number of years earnings of the company would take

* Earnings Yield = Earnings Per Share

 Market Per Share

 = 2.30

 0.50

 = 4.60

ANALYSIS This shows that the company has a potential return on the shareholders investment

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 87,588,174

 2,500,000

 =35

ANALYSIS This indicates that the company’s amount of net assets is attributable to each ordinary share that is issued

Net Assets= (Total Fixed Assets + Total Current Assets) – ( Total Current Liabilities + Total Long term Liabilities)

 = 153,254,968 - 65,666,794

 = 87,588,174

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 = 963,768

 2,500,000

 = 0.39

ANALYSIS This shows that the company amount of gross dividends is declared on every issued ordinary shares ranking for dividends in a reporting year.

* Dividend Payout Ratio = Dividend Per Share × 100%

 Earnings Per Share

 = 0.39 × 100%

 2.30

 = 16.96

ANALYSIS This shows that the amount of what the company is attributable to in earnings is being paid to the ordinary shareholders in the form of dividends.

* Dividend Yield = Dividends Per Share

 Market Per Share

 = 0.39

 0.50

 = 0.78

ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 = 6,717,605 -963,768

 963,768

 = 5.97

ANALYSIS This is measuring the number of times that the ordinary dividend is covered by distributable earnings.

LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Fixed Interest loans + Preference share capital

 Ordinary shares capital + Capital reserves

ANALYSIS This measures how the degree of vulnerability of the company towards the financial risk attached to fixed interest securities but which the company is not vulnerable

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

 = 9,943,164

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that they have the lower level of confidence for lenders in the ability of the company to pay the loans.

* Total Debt to Shareholders’ Fund = Non-Current Liabilities + Current Liabilities

 Equity

 = 22,819,679 + 42,847,115

 87,588,174

 = 0.75

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities.

BASIC MATERIALS

**PORTLAND PAINTS**

SHORT TERM SOLVENCY /LIQUIDITY RATIO

* Current Ratio= Current Assets

 Current Liabilities

 = 1,517,757

 620,831

 = 2.44

 =>1

ANALYSIS The company was able to meet their excessive amount of current assets and fully utilization of their resources towards the business.

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 = 1,517,757-900,430

 620,831

 = 0.99

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 406,813 × 365 days

 2,316,389

 = 64 days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them.

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 497,755 × 365 days

 1,620,269

 = 112 days

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 900,430 × 365 days

 1,620,269

 = 203 days

ANALYSIS This measures the average number of days that the company inventory still remains in the store which hasn’t been sold out yet.

* Receivables Turnover = Credit Sales × 365 days

 Average Receivables

 = 2,316,389 × 365 days

 406,813

 = 2078 days

ANALYSIS: This expresses how the company have taking an amount of money from the business during a particular reporting period.

* Payables Turnover = Credit Purchases × 365 days

 Average Payables

 = 1,620,269 × 365 days

 497,755

 = 1188 days

ANALYSIS: This expresses how the company haven’t paid the amount of money which was taken from the business during a particular reporting period.

* Inventory Turnover = Cost of Sales × 365 days

 Average Inventory

 = 1,620,269 × 365 days

 900,430

 = 657 days

ANALYSIS This measures how an inventory is produced from the period in which the inventory is produced up to the period the inventory is being sold.

EFFICIENCY / PROFITABILITY RATIOS

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 123,868

 1,415,071

 =0.09

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

Capital Employed = Total Assets – Current Liabilities

 = 2,035,902 – 620,831

 = 1,415,071

* Gross Profit Margin = Gross Profit × 100%

 Sales

 = 696,020 × 100%

 2,316,389

 = 30.05%

ANALYSIS: This shows the percentage gross profit that the company has made

* Net Profit Margin = Net Profit × 100%

 Sales

 = 2,316,389 × 100%

ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity but then since the company wasn’t profitable at the reporting period.

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 203,475× 100%

 730, 305

 = 27.86%

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 203,475× 100%

 2,316,389

 = 8.78%

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expanses is fallen slower than sales of the company.

INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 1,000,000

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period but then since the company isn’t attributable to their preference dividend.

* Price Earnings Ratios = Market Per Share

 Earnings Per Share

 = 0.50

ANALYSIS This explains the number of years earnings of the company would take and since there wasn’t earnings per share so therefore there is no price earnings for the company.

* Earnings Yield = Earnings Per Share

 Market per share

ANALYSIS This shows that the company doesn’t have a potential return on the shareholders investment.

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 1,393,015

 1,000,000

 =1.39

ANALYSIS This indicates that the company’s amount of net assets is attributable to each ordinary share that is issued

Net Assets= (Total Fixed Assets + Total Current Assets) – ( Total Current Liabilities + Total Long term Liabilities)

 = 2,035,902 – 642,887

 =1,393,015

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

ANALYSIS This shows that the company doesn’t have the amount of gross dividends which is declared on every issued ordinary shares ranking for dividends in a reporting year.

* Dividend Yield = Dividends Per Share

 Market Per Share

ANALYSIS This shows that the amount of what the company is not attributable to any earnings that is being paid to the ordinary shareholders in the form of dividends because they aren’t solvent.

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity.

LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Fixed Interest loans + Preference share capital

 Ordinary shares capital + Capital reserves

 =

ANALYSIS This measures how the degree of vulnerability of the company towards the financial risk attached to fixed interest securities but the company isn’t vulnerable enough.

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that they have the lower level of confidence for lenders in the ability of the company to pay the loans.

* Total Debt to Shareholders’ Fund = Non-Current Liabilities + Current Liabilities

 Equity

ANALYSIS This measures how insolvent the company is and also indicates how they are to the extent of cover for their external liabilities so therefore the company isn’t solvent enough

**CAP PLC**

SHORT TERM SOLVENCY /LIQUIDITY RATIOS

 ₦’000

* Current Ratio= Current Assets

 Current Liabilities

 = 4,263,484

 2,671,721

 = 1.60

ANALYSIS The company was able to meet their excessive amount of current assets and fully utilization of their resources towards the business.

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 = 4,263,484 – 1,187,405

 2,671,721

 =1.15 days

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 =110,700 × 365 days

 7,113,950

 = 5.68 days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them.

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 1,130,834 × 365 days

 3,863,985

 = 106.82 days

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 1,187,405 × 365 days

 3,863,985

 = 112 days

ANALYSIS This measures the average number of days that the company inventory still remains in the store which hasn’t been sold out yet

* Receivables Turnover = Credit Sales × 365 days

 Average Receivables

 = 7,113,950 × 365 days

 110,700

 = 23456 days

ANALYSIS: This expresses how the company have taking an amount of money from the business during a particular reporting period.

* Payables Turnover = Credit Purchases × 365 days

 Average Payables

 =3,863,985 × 365 days

 1,130,834

 = 1247 days

ANALYSIS: This expresses how the company haven’t paid the amount of money which was taken from the business during a particular reporting period.

* Inventory Turnover = Cost of Sales × 365 days

 Average Inventory

 = 3,863,985 ×365 days

 1,187,405

 = 1188 days

ANALYSIS This measures how an inventory is produced from the period in which the inventory is produced up to the period the inventory is being sold.

EFFICIENCY / PROFITABILITY RATIOS

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 2,181,711

 2,671,721

 = 0.82

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

Capital Employed = Total Assets – Current Liabilities

 = 5,013,990 - 2,671,721

 = 2,342,269

* Gross Profit Margin = Gross Profit × 100%

 Sales

 = 3,249,965 × 100%

 7,113,950

 = 45.68%

ANALYSIS: This shows the percentage gross profit that the company has made

* Net Profit Margin = Net Profit × 100%

 Sales

 = 1,498,730 × 100%

 7,113,950

 = 21.06%

ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity.

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 301,225 × 100%

 1,351,881

 = 22.28%

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses.

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 301,225 × 100%

 7,113,950

 = 4.23%

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expanses is fallen slower than sales of the company.

INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 1,498,730

 840,000

 = 1.78

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period.

* Price Earnings Ratios = Market Per Share

 Earnings Per Share

 = 0.50

 1.78

 = 0.28

ANALYSIS This explains the number of years earnings of the company would take

* Earnings Yield = Earnings Per Share

 Market per share

 = 1.78

 0.50

 = 3.56

ANALYSIS This shows that the company has a potential return on the shareholders investment

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 2, 242,220

 840,000

 = 2.67

ANALYSIS This indicates that the company’s amount of net assets is attributable to each ordinary share that is issued

Net Assets= (Total Fixed Assets + Total Current Assets) – ( Total Current Liabilities + Total Long term Liabilities)

 = 5,013,990 - 2,771,770

 = 2,242,220

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 = 809,598

 840,000

 = 0.96

ANALYSIS This shows that the company amount of gross dividends is declared on every issued ordinary shares ranking for dividends in a reporting year.

* Dividend Yield = Dividends Per Share

 Market Per Share

 = 0.96

ANALYSIS This shows that the amount of what the company is not attributable to in earnings which is being paid to the ordinary shareholders in the form of dividends as a result that the company isn’t capable enough.

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 = 1,498,730

 809,598

 = 1.85.

ANALYSIS This is measuring the number of times that the ordinary dividend is covered by distributable earnings.

LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Fixed Interest loans + Preference share capital

 Ordinary shares capital + Capital reserves

 = 32074

 350,000

 = 0.09

ANALYSIS This measures how the degree of vulnerability of the company towards the financial risk attached to fixed interest securities.

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

 = 2,181,711

 20,668

 =105.56

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that the have the higher level of confidence for lenders in the ability of the company to pay the loans.

* Total Debt to Shareholders’ Fund = Non-Current Liabilities + Current Liabilities

 Equity

 = 100,049 + 2,671,721

 2,242,220

 = 1.24

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities.

CONSUMER SERVICES

**DAAR COMMUNICATIONS**

SHORT TERM SOLVENCY /LIQUIDITY RATIOS

 ₦’000

* Current Ratio= Current Assets

 Current Liabilities

 = 4,249,497

 7,585,531

 = 0.56

 =<1

ANALYSIS The company was able to meet their excessive amount of current assets and fully utilization of their resources towards the business.

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 = 4,249,497

 7,585,531

 = 0.56

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 4,077,493 × 365 days

 3,712,390

 = 401 days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them.

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 1,432,424 × 365 days

 3,102,498

 = 168.52 days

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 3,102,498 × 365

ANALYSIS This measures that the company does not know the average number of days that the company inventory still remains in the store which hasn’t been sold out because they don’t produce but rather they render services to people

* Receivables Turnover = Credit Sales × 365 days

 Average Receivables

 = 3,712,390 × 365 days

 4,077,493

 = 332.32 days

ANALYSIS: This expresses how the company have taking an amount of money from the business during a particular reporting period.

* Payables Turnover = Credit Purchases × 365 days

 Average Payables

 = 3,102,498 × 365 days

 1,432,424

 = 791 days

ANALYSIS: This expresses how the company haven’t paid the amount of money which was taken from the business during a particular reporting period.

* Inventory Turnover = Cost of Sales × 365 days

 Average Inventory

 ANALYSIS This measures how the company’s inventory wasn’t produced from the period to the period the inventory wasn’t being sold.

EFFICIENCY / PROFITABILITY RATIOS

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 718,950

 13,066,655

 = 0.06

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

Capital Employed = Total Assets – Current Liabilities

 = 20,652,186 - 7,585,531

 = 13,066,655

* Gross Profit Margin = Gross Profit × 100%

 Sales

 = 609,892 × 100%

 3,712,390

 = 16.43%

ANALYSIS: This shows the percentage gross profit that the company has made

* Net Profit Margin = Net Profit × 100%

 Sales

 = 481,585 × 100%

 3,712,390

 = 12.97%

ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 74,113 × 100%

 1268343

 = 5.84%

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses.

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 74,113 × 100%

 3,712,390

 = 0. 02%

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expanses is fallen slower than sales of the company.

INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 481,585

 8,000,000

 = 0.06

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period.

* Price Earnings Ratios = Market Per Share

 Earnings Per Share

 = 0.50

 0.06

 = 8.33

ANALYSIS This explains the number of years earnings of the company would take

* Earnings Yield = Earnings Per Share

 Market per share

 = 0.06

 0.50

 = 0.12

ANALYSIS This shows that the company has a potential return on the shareholders investment

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 7,789,749

 8,000,000

 = 0.97

ANALYSIS This indicates that the company’s amount of net assets is attributable to each ordinary share that is issued.

Net Assets= (Total Fixed Assets + Total Current Assets) – ( Total Current Liabilities + Total Long term Liabilities)

 = 20,652,186 - 9,851,935

 = 7,789,749

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 = 8,000,000

ANALYSIS This shows that the company wasn’t able to give the amount of gross dividends which is declared on every issued ordinary shares ranking for dividends in a reporting year.

* Dividend Yield = Dividends Per Share

 Market Per Share

 =

 0.50

ANALYSIS This shows that the company doesn’t have the amount of what the it is attributable to them in earnings which is being paid to the ordinary shareholders in the form of dividends.

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 = 481,585

ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity

 LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Fixed Interest loans + Preference share capital

 Ordinary shares capital + Capital reserves

 = 66,792

 4,000,000

 = 0.02

ANALYSIS This measures how the degree of vulnerability of the company towards the financial risk attached to fixed interest securities.

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

 = 718,950

 66,792

 = 10.76

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that the have the higher level of confidence for lenders in the ability of the company to pay the loans.

* Total Debt to Shareholders’ Fund = Non-Current Liabilities + Current Liabilities

 Equity

 = 2,266,403 + 7,585,531

 10,800,253

 = 0.91

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities.

**TRANSCORP HOTEL PLC**

SHORT TERM SOLVENCY /LIQUIDITY RATIOS

 ₦’000

* Current Ratio= Current Assets

 Current Liabilities

 = 23,800,774

 16,025,334

 = 1.49

 =>1

ANALYSIS The company was able to meet their excessive amount of current assets and fully utilization of their resources towards the business.

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 **=** 23,800,774

 16,025,334

 = 1.49

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 23,460,800 × 365 days

 5,121,992

 = 1672 days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them.

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 3,702,299

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company because they don’t have cost of sales to know the number of days will take.

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

ANALYSIS This measures that the company does not know the average number of days that the company inventory still remains in the store which hasn’t been sold out because they don’t produce but rather they render services to people.

* Receivables Turnover = Credit Sales × 365 days

 Average Receivables

 = 5,121,992 × 365 days

 23,460,800

 = 79.69 days

ANALYSIS: This expresses how the company have taking an amount of money from the business during a particular reporting period.

* Payables Turnover = Credit Purchases × 365 days

 Average Payables

 = 3,702,299

ANALYSIS: This expresses how the company haven’t paid the amount of money which was taken from the business during a particular reporting period maybe because they weren’t capable enough.

* Inventory Turnover = Cost of Sales × 365 days

 Average Inventory

ANALYSIS This measures how an inventory is produced from the period in which the inventory is produced up to the period the inventory is being sold.

EFFICIENCY / PROFITABILITY RATIOS

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 2,567,737

 47,077,436

 = 0.05

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

Capital Employed = Total Assets – Current Liabilities

 = 63,102,770 - 16,025,334

 = 47,077,436

* Gross Profit Margin = Gross Profit × 100%

 Sales

 = 5,121,992 × 100%

 5,121,992

 = 100%

ANALYSIS: This shows the percentage gross profit that the company has made

* Net Profit Margin = Net Profit × 100%

 Sales

 = 1,869,204 × 100%

 5,121,992

 = 36%

ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 2,356,599 × 100%

 2,356,599

 = 100%

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses.

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 2,356,599 × 100%

 5,121,992

 =46%

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expanses is fallen slower than sales of the company.

INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 1,869,204

 45,000,000

 = 0.04

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period.

* Price Earnings Ratios = Market Per Share

 Earnings Per Share

 = 0.50

 0.04

 = 12.50

ANALYSIS This explains the number of years earnings of the company would take

* Earnings Yield = Earnings Per Share

 Market per share

 = 0.04

 0.50

 = 0.08

1. ANALYSIS This shows that the company has a potential return on the shareholders investment.
* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 35,607,146

 45,000,000

 = 0.79

ANALYSIS This indicates that the company’s amount of net assets is attributable to each ordinary share that is issued

Net Assets= (Total Fixed Assets + Total Current Assets) – ( Total Current Liabilities + Total Long term Liabilities)

 = 63,102,770 - 27,495,624

 **=** 35,607,146

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 = 5,121,992

 45,000,000

 = 0.11

ANALYSIS This shows that the company amount of gross dividends is declared on every issued ordinary shares ranking for dividends in a reporting year.

Dividend Yield = Dividends Per Share

 Market Per Share

 = 0.11

 0.50

 = 0.22

ANALYSIS This shows that the amount of what the company is attributable to in earnings is being paid to the ordinary shareholders in the form of dividends.

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 = 1,869,204

ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity

 LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Fixed Interest loans + Preference share capital

 Ordinary shares capital + Capital reserves

 = 1,470,270

 45,000,000

 = 0.03

ANALYSIS This measures how the degree of vulnerability of the company towards the financial risk attached to fixed interest securities

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

 = 2,567,737

 3,016,285

 = 0.85

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that the have the higher level of confidence for lenders in the ability of the company to pay the loans.

* Total Debt to Shareholders’ Fund = Non-Current Liabilities + Current Liabilities

 Equity

 = 11,470,290+16,025,334

 35,607,146

 = 0.77

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities.

HEALTH SECTOR

**FIDSON HEALTHCARE**

SHORT TERM SOLVENCY /LIQUIDITY RATIOS

* Current Ratio= Current Assets

 Current Liabilities

 = 4,611,780

 6,646,547

 = 0.69

 =>1

ANALYSIS The company was able to meet their excessive amount of current assets and fully utilization of their resources towards the business

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 = 4,611,780 -697,502

 6,646,547

 = 0.59

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 3,779,824 × 365 days

 8, 210,760

 = 168 days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them.

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 4,212,210 × 365 days

 3,858,896

 = 398 days

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company.

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 697,502 × 365 days

 3,858,896

 = 31 days

ANALYSIS This measures the average number of days that the company inventory still remains in the store which hasn’t been sold out yet.

* Receivables Turnover = Credit Sales × 365 days

 Average Receivables

 = 8, 210,760 × 365 days

 3,779,824

 = 793 days

ANALYSIS: This expresses how the company have taking an amount of money from the business during a particular reporting period.

* Payables Turnover = Credit Purchases × 365 days

 Average Payables

 = 3,858,896 × 365 days

 4,212,210

 = 334 days

ANALYSIS: This expresses how the company haven’t paid the amount of money which was taken from the business during a particular reporting period.

* Inventory Turnover = Cost of Sales × 365 days

 Average Inventory

 = 3,858,896 × 365 days

 697,502

 = 2019 days

ANALYSIS This measures how an inventory is produced from the period in which the inventory is produced up to the period the inventory is being sold.

EFFICIENCY / PROFITABILITY RATIOS

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 838,039

 10,023,778

 = 0.08

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

 Capital Employed = Total Assets – Current Liabilities

 = 16,670,325 - 6,646,547

 = 10,023,778

* Gross Profit Margin = Gross Profit × 100%

 Sales

 = 4,351,864 × 100%

 8, 210,760

 = 53%

ANALYSIS: This shows the percentage gross profit that the company has made

* Net Profit Margin = Net Profit × 100%

 Sales

 = 744,378 × 100%

 8, 210,760

 = 0.09 %

ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity.

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 23,635 × 100%

 2,929,806

 = 0.81 %

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 23,635 × 100%

 8, 210,760

 = 0.29%

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expanses is fallen slower than sales of the company.

INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 744,378

 1,500,000

 = 0.50

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period.

* Price Earnings Ratios = Market Per Share

 Earnings Per Share

 = 0.50

 0.50

 = 1

ANALYSIS This explains the number of years earnings of the company would take

* Earnings Yield = Earnings Per Share

 Market per share

 = 0.50

 0.50

 = 1

ANALYSIS This shows that the company has a potential return on the shareholders investment

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 6,323,828

 1,500,000

 = 4.22

ANALYSIS This indicates that the company’s amount of net assets is attributable to each ordinary share that is issued

Net Assets= (Total Fixed Assets + Total Current Assets) – ( Total Current Liabilities + Total Long term Liabilities)

 = 16,670,325 - 10,346,497

 = 6,323,828

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 = 225,000

 1,500,000

 = 0.15

ANALYSIS This shows that the company amount of gross dividends is declared on every issued ordinary shares ranking for dividends in a reporting year.

* Dividend Yield = Dividends Per Share

 Market Per Share

 = 0.15

 0.50

 = 0.30

ANALYSIS This shows that the amount of what the company is attributable to in earnings is being paid to the ordinary shareholders in the form of dividends.

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 = 744,378

 225,000

 = 3.31%

ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity.

 LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Fixed Interest loans + Preference share capital

 Ordinary shares capital + Capital reserves

 = 716,958

 2,973,043

 = 0.24

ANALYSIS This measures how the degree of vulnerability of the company towards the financial risk attached to fixed interest securities

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

 = 838,039

 57,322

 = 14.62

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that the have the higher level of confidence for lenders in the ability of the company to pay the loans.

* Total Debt to Shareholders’ Fund = Non-Current Liabilities + Current Liabilities

 Equity

 = 3,699,950 + 6,646,547

 6,323,828

 = 1.64

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities.

**MAY & BAKER NIGERIA PLC**

SHORT TERM SOLVENCY /LIQUIDITY RATIOS

* Current Ratio= Current Assets

 Current Liabilities

 = 3,672,778

 3,503,260

 = 1.05

ANALYSIS The company was able to meet their excessive amount of current assets and fully utilization of their resources towards the business.

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 = 3,672,778 -1,539,382

 3,503,260

 = 0.61

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 1,787,606 × 365 days

 7,415,203

 = 88 days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them.

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 1,542,844 × 365 days

 4,996,133

 = 113 days

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 1,539,382 × 365 days

 4,996,133

 = 112 days

ANALYSIS This measures the average number of days that the company inventory still remains in the store which hasn’t been sold out yet.

* Receivables Turnover = Credit Sales × 365 days

 Average Receivables

 = 7,415,203 × 365 days

 1,787,606

 = 1514 days

ANALYSIS: This expresses how the company have taking an amount of money from the business during a particular reporting period.

* Payables Turnover = Credit Purchases × 365 days

 Average Payables

 = 4,996,133 × 365 days

 1,542,844

 = 1182 days

ANALYSIS: This expresses how the company haven’t paid the amount of money which was taken from the business during a particular reporting period.

* Inventory Turnover = Cost of Sales × 365 days

 Average Inventory

 = 4,996,133 × 365 days

 1,539,382

 = 1185 days

ANALYSIS This measures how an inventory is produced from the period in which the inventory is produced up to the period the inventory is being sold.

EFFICIENCY / PROFITABILITY RATIOS

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 127,325

 4,772,566

 = 0.03

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

 Capital Employed = Total Assets – Current Liabilities

 = 8,275,826 – 3,503,260

 = 4,772,566

* Gross Profit Margin = Gross Profit × 100%

 Sales

 = 2,419,070 × 100%

 7,415,203

 = 33%

ANALYSIS: This shows the percentage gross profit that the company has made

* Net Profit Margin = Net Profit × 100%

 Sales

 = 54,532 × 100%

 7,415,203

 = 0.74 %

ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 1,248,721 × 100%

 1,811,388

 = 69%

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses.

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 1,248,721 × 100%

 7,415,203

 = 17%

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expanses is fallen slower than sales of the company.

INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 54,532

 3,800,000

 = 0.01

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period.

* Price Earnings Ratios = Market Per Share

 Earnings Per Share

 = 0.50

 0.01

 = 50

ANALYSIS This explains the number of years earnings of the company would take

* Earnings Yield = Earnings Per Share

 Market per share

 = 0.01

 0.50

 = 0.02

ANALYSIS This shows that the company has a potential return on the shareholders investment

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 3,158,083

 3,800,000

 = 0.83

ANALYSIS This indicates that the company’s amount of net assets is attributable to each ordinary share that is issued

Net Assets= (Total Fixed Assets + Total Current Assets) – (Total Current Liabilities + Total Long term Liabilities)

 = 8,275,826 – 5,117,743

 = 3,158,083

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 = 49,000

 3,800,000

 = 0.01

ANALYSIS This shows that the company amount of gross dividends is declared on every issued ordinary shares ranking for dividends in a reporting year.

* Dividend Yield = Dividends Per Share

 Market Per Share

 = 0.01

 0.50

 = 0.02

ANALYSIS This shows that the amount of what the company is attributable to in earnings is being paid to the ordinary shareholders in the form of dividends.

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 = 54,532

 49,000

 = 1.11

ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity

 LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Fixed Interest loans + Preference share capital

 Ordinary shares capital + Capital reserves

 = 587,345

 490,000

 = 1.20

ANALYSIS This measures how the degree of vulnerability of the company towards the financial risk attached to fixed interest securities.

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

 = 72,793

* Total Debt to Shareholders’ Fund = Non-Current Liabilities + Current Liabilities

 Equity

 = 1,614,483 + 3,503,260

 3,158,083

 = 1.62

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities.

**TELECOMMUNICATIONS/TECHNOLOGY SERVICES**

**E-Tranzact International Plc.**

SHORT TERM SOLVENCY /LIQUIDITY RATIOS

 ₦’000

* Current Ratio= Current Assets

 Current Liabilities

 = 3,958,916

 2,894,811

 = 1.37

ANALYSIS The company was able to meet their excessive amount of current assets and fully utilization of their resources towards the business.

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 = 3,958,916 – 232,436

 2,894,811

 = 1.29

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 1,162,975 × 365 days

 11,681,742

 = 36 days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them.

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 2,457,088 × 365 days

 9,964,794

 = 90 days

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 232,436 × 365 days

 9,964,794

 = 9 days

ANALYSIS This measures the average number of days that the company inventory still remains in the store which hasn’t been sold out yet.

* Receivables Turnover = Credit Sales × 365 days

 Average Receivables

 = 11,681,742 × 365 days

 1,162,975

 = 3666 days

ANALYSIS: This expresses how the company have taking an amount of money from the business during a particular reporting period

* Payables Turnover = Credit Purchases × 365 days

 Average Payables

 = 9,964,794 × 365 days

 2,457,088

 = 1480 days

ANALYSIS: This expresses how the company haven’t paid the amount of money which was taken from the business during a particular reporting period.

* Inventory Turnover = Cost of Sales × 365 days

 Average Inventory

 = 9,964,794 × 365 days

 232,436

 = 15648 days

ANALYSIS This measures how an inventory is produced from the period in which the inventory is produced up to the period the inventory is being sold.

EFFICIENCY / PROFITABILITY RATIOS

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 292,201

 3,348,225

 = 0.09

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

 Capital Employed = Total Assets – Current Liabilities

 = 6,243,036 – 2,894,811

 = 3,348,225

* Gross Profit Margin = Gross Profit × 100%

 Sales

 = 1,716,948 × 100%

 11,681,742

 = 15%

ANALYSIS: This shows the percentage gross profit that the company has made

* Net Profit Margin = Net Profit × 100%

 Sales

 = 208,405 × 100%

 11,681,742

 = 2%

ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 90,863 × 100%

 1,702,067

 = 5%

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses.

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 90,863 × 100%

 11,681,742

 = 0.77 %

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expenses is fallen slower than sales of the company.

INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 208,405

 4,200,000

 =0.05

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period.

* Price Earnings Ratios = Market Per Share

 Earnings Per Share

 = 0.50

 0.05

 = 10

ANALYSIS This explains the number of years earnings of the company would take

* Earnings Yield = Earnings Per Share

 Market per share

 = 0.05

 0.50

 = 0.10

ANALYSIS This shows that the company has a potential return on the shareholders investment

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 3,296,080

 4,200,000

 = 0.78

ANALYSIS This indicates that the company’s amount of net assets is attributable to each ordinary share that is issued

Net Assets= (Total Fixed Assets + Total Current Assets) – (Total Current Liabilities + Total Long term Liabilities)

 =6,243,036 – 2,946,956

 = 3,296,080

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 = 420,000

 4,200,000

 = 0.10

ANALYSIS This shows that the company amount of gross dividends is declared on every issued ordinary shares ranking for dividends in a reporting year.

* Dividend Yield = Dividends Per Share

 Market Per Share

 = 0.10

 0.50

 = 0.2

ANALYSIS This shows that the amount of what the company is attributable to in earnings is being paid to the ordinary shareholders in the form of dividends

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 = 208,405

 420,000

 = 0.50

ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity

LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Fixed Interest loans + Preference share capital

 Ordinary shares capital + Capital reserves

 = 2,100,000

ANALYSIS This measures how the company doesn’t have degree of vulnerability of the company towards the financial risk attached to fixed interest securities.

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

 = 292,201

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that the have the higher level of confidence for lenders in the ability of the company to pay the loans

* Total Debt to Shareholders’ Fund = Non-Current Liabilities + Current Liabilities

 Equity

 = 52,145 + 2,894,811

 3,296,080

 = 0.89

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities.

OMATEK VENTURES

SHORT TERM SOLVENCY /LIQUIDITY RATIOS

 ₦’million

* Current Ratio= Current Assets

 Current Liabilities

 = 3,487

 3,502

 = 1

ANALYSIS The company was able to meet their excessive amount of current assets and fully utilization of their resources towards the business.

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 = 3,487

 3,502

 = 1

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 3,487

 223

 = 16 days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them.

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 3,437 × 365 days

 0

 =

ANALYSIS This measures that the company doesn’t have average number of days that the trade payables hasn’t been unpaid by the company.

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 0 × 365 days

 0

 = 0 days

ANALYSIS This measures that the company shares doesn’t have average number of days that the inventory will still remain in the store which hasn’t been sold out yet.

* Receivables Turnover = Credit Sales × 365 days

 Average Receivables

 = 223 × 365 days

 3,487

 = 23 days

ANALYSIS: This expresses how the company have taking an amount of money from the business during a particular reporting period.

* Payables Turnover = Credit Purchases × 365 days

 Average Payables

 = 0 × 365 days

 3,437

 = 0 days

ANALYSIS: This expresses how the company haven’t paid the amount of money which was taken from the business during a particular reporting period.

* Inventory Turnover = Cost of Sales × 365 days

 Average Inventory

 = 0 × 365 days

 0

 = 0 days

ANALYSIS This measures how the company doesn’t know the average number of days of how an inventory is produced from the period up to the period the inventory is being sold.

EFFICIENCY / PROFITABILITY RATIOS

* Return on Capital Employed = Profit (Return)

 Capital Employed
 = 1,138

 1,908

 = 0.60

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

Capital Employed = Total Assets – Current Liabilities

 = 5,410 – 3,502

 = 1,908

* Gross Profit Margin = Gross Profit × 100%

 Sales

 = 223 × 100%

 223

 = 100%

ANALYSIS: This shows the percentage gross profit that the company has made

* Net Profit Margin = Net Profit × 100%

 Sales

 = 1,138 × 100%

 223

 = 510%

ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 103 × 100%

 103

 = 100%

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 103 × 100 %

 223

 = 46%

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expenses is fallen slower than sales of the company.

INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 1,138

 7000

 =0.16

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period.

* Price Earnings Ratios = Market Per Share

 Earnings Per Share

 = 0.50

 0.16

 = 3.13

ANALYSIS This explains the number of years earnings of the company would take

* Earnings Yield = Earnings Per Share

 Market per share

 = 0.16

 0.50

 = 0.32

ANALYSIS This shows that the company has a potential return on the shareholders investment

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 2001

 7000

 = 0.29

ANALYSIS This indicates that the company’s amount of net assets is attributable to each ordinary share that is issued.

Net Assets= (Total Fixed Assets + Total Current Assets) – (Total Current Liabilities + Total Long term Liabilities)

 =5,410 – 7,411

 = (2001)

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 = 0

 7000

 = 0

ANALYSIS This shows that the company amount of gross dividends is declared on every issued ordinary shares ranking for dividends in a reporting year.

* Dividend Yield = Dividends Per Share

 Market Per Share

 = 0

 0.50

 = 0

ANALYSIS This shows that the company doesn’t have the amount of what the company is attributable to in earnings is being paid to the ordinary shareholders in the form of dividends.

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 = 1,138

 0

 ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity which don’t have in the company.

LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Fixed Interest loans + Preference share capital

 Ordinary shares capital + Capital reserves

 = 1,471

ANALYSIS This measures how the degree of vulnerability of the company towards the financial risk attached to fixed interest securities.

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

 = 1,138

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that the have the higher level of confidence for lenders in the ability of the company to pay the loans.

* Total Debt to Shareholders’ Fund = Non-Current Liabilities + Current Liabilities

 Equity

 = 3909 + 3502

 2001

 =3.70

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities.

OIL & GAS SECTOR

**TOTAL PLC**

SHORT TERM SOLVENCY /LIQUIDITY RATIOS

 ₦’000

* Current Ratio= Current Assets

 Current Liabilities

 = 89,912,403

 95,984,054

 = 1

ANALYSIS The company was able to meet their excessive amount of current assets and fully utilization of their resources towards the business.

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 =89,912,403-30,045,177

 95,984,054

 = 0.62

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 52,007,770 × 365 days

 307,987,896

 = 62 days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 61,583,881 × 365 days

 273,202,676

 = 82 days

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 30,045,177 × 365 days

 273,202,676

 = 40 days

ANALYSIS This measures the average number of days that the company inventory still remains in the store which hasn’t been sold out yet.

EFFICIENCY / PROFITABILITY RATIOS

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 12,098,463

 36,536,729

 = 0.33

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

Capital Employed = Total Assets – Current Liabilities

 = 132,520,783 - 95,984,054

 **=** 36,536,729

* Gross Profit Margin = Gross Profit × 100%

 Sales

 = 34,785,220 × 100%

 307,987,896

 = 11 days

ANALYSIS: This shows the percentage gross profit that the company has made

* Net Profit Margin = Net Profit × 100%

 Sales

 = 7,960,893 × 100%

307,987,896

 = 3 days

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 1,324,883 × 100%

 25,740,316

 = 5%

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses.

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 1,324,883 × 100%

 307,987,896

 = 0.43%

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expenses is fallen slower than sales of the company.

 INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 =7,960,893

 339,522,000

 = 0.02

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period

* Price Earnings Ratios = Market Per Share

 Earnings Per Share

 = 0.50

 0.02

 = 25

ANALYSIS This explains the number of years earnings of the company would take

* Earnings Yield = Earnings Per Share

 Market per share

 = 0.02

 0.50

 = 0.04

ANALYSIS This shows that the company has a potential return on the shareholders investment

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 30,730,888

 339,522,000

 = 0.09

ANALYSIS This indicates that the company’s amount of net assets is attributable to each ordinary share that is issued

Net Assets= (Total Fixed Assets + Total Current Assets) – (Total Current Liabilities + Total Long term Liabilities)

 = 132,520,783 – 101,789,895

 = 30,730,888

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 = 2,997,605

 339,522,000

 = 8.83

ANALYSIS This shows that the company amount of gross dividends is declared on every issued ordinary shares ranking for dividends in a reporting year.

* Dividend Yield = Dividends Per Share

 Market Per Share

 = 8.83

 0.50

 = 17.66

ANALYSIS This shows that the amount of what the company is attributable to in earnings is being paid to the ordinary shareholders in the form of dividends.

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 = 7,960,893

 2,997,605

 = 2.66

ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity

LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Fixed Interest loans + Preference share capital

 Ordinary shares capital + Capital reserves

 = 6,360,602

 169,761

 = 37

ANALYSIS This measures how the degree of vulnerability of the company towards the financial risk attached to fixed interest securities.

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

 = 12,098,463

 4,460,937

 = 2.71

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that the have the higher level of confidence for lenders in the ability of the company to pay the loans.

* Total Debt to Shareholders’ Fund = Non-Current Liabilities + Current Liabilities

 Equity

 = 42,608,380+89,912,403

 30,730,888

 = 4.31

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities

**CONOIL PLC**

SHORT TERM SOLVENCY /LIQUIDITY RATIOS

 ₦’000

* Current Ratio= Current Assets

 Current Liabilities

 = 54,908,451

 41,641,699

 = 1.32

ANALYSIS The company was able to meet their excessive amount of current assets and fully utilization of their resources towards the business.

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 = 54,908,451 - 9,141,599

 41,641,699

 = 1.10

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 30,295,096 × 365 days

 122,213,014

 = 90 days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 35,065,872 × 365 days

 109,442,111

 = 117 days

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 9,141,599 × 365 days

 109,442,111

 = 30 days

ANALYSIS This measures the average number of days that the company inventory still remains in the store which hasn’t been sold out yet.

EFFICIENCY / PROFITABILITY RATIOS

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 2,566,765

 19,255,547

 = 0.13

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

Capital Employed = Total Assets – Current Liabilities

 = 60,897,246 – 41,641,699

 = 19,255,547

* Gross Profit Margin = Gross Profit × 100%

 Sales

 = 12,770,902 × 100%

 122,213,014

 = 10%

ANALYSIS: This shows the percentage gross profit that the company has made

* Net Profit Margin = Net Profit × 100%

 Sales

 = 1,796,042 × 100%

 122,213,014

 = 1%

ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 2,571,260 × 100%

 8,809,784

 = 29%

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses.

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 2,571,260 × 100%

122,213,014

 = 2%

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expenses is fallen slower than sales of the company.

INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 1,796,042

 700,000

 = 3

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period

* Price Earnings Ratios = Market Per Share

 Earnings per share

 = 0.50

 3

 = 0.17

ANALYSIS This explains the number of years earnings of the company would take

* Earnings Yield = Earnings Per Share

 Market per share

 = 3

 0.50

 = 6

ANALYSIS This shows that the company has a potential return on the shareholders investment

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 18,301,074

 700,000

 = 26

ANALYSIS This indicates that the company’s amount of net assets is attributable to each ordinary share that is issued

Net Assets= (Total Fixed Assets + Total Current Assets) – (Total Current Liabilities + Total Long term Liabilities)

 = 60,897,246 - 42,596,172

 = 18,301,074

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 = 1,387,904

 700,000

 = 2

ANALYSIS This shows that the company amount of gross dividends is declared on every issued ordinary shares ranking for dividends in a reporting year

* Dividend Yield = Dividends Per Share

 Market Per Share

 = 2

 0.50

 = 4

ANALYSIS This shows that the amount of what the company is attributable to in earnings is being paid to the ordinary shareholders in the form of dividends.

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 = 1,796,042

 1,387,904

 = 1.29

ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity

LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Fixed Interest loans + Preference share capital

 Ordinary shares capital + Capital reserves

 = 346,976

ANALYSIS This measures how the company doesn’t have degree of vulnerability of the company towards the financial risk attached to fixed interest securities.

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

 = 2,566,765

 1,508,064

 = 1.70

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that the have the higher level of confidence for lenders in the ability of the company to pay the loans.

* Total Debt to Shareholders’ Fund = Non-Current Liabilities + Current Liabilities

 Equity

 = 954,473 + 41,641,699

 18,301,074

 = 2.33

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities

FINANCIALS SECTOR

**UBA PLC**

 **SHORT TERM SOLVENCY /LIQUIDITY RATIOS**

 **₦’million**

* Current Ratio= Current Assets

 Current Liabilities

 = 0

 0

 = 0

ANALYSIS The company wasn’t able to meet their excessive amount of current assets and fully utilization of their resources towards the business.

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 = 0

 0

 = 0

ANALYSIS This expresses that the company wasn’t able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 0

 0

 = 0

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them.

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 0

 0

 = 0

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company.

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 0 × 365 days

 0

ANALYSIS This measures the average number of days that the company inventory still remains in the store which hasn’t been sold out yet.

* Receivables Turnover = Credit Sales × 365 days

 Average Receivables

 = 0 × 365 days

 0

 = 0 days

1. ANALYSIS: This expresses how the company have taking an amount of money from the business during a particular reporting period.
* Payables Turnover = Credit Purchases × 365 days

 Average Payables

 = 0 × 365 days 0

 ANALYSIS: This expresses how the company haven’t paid the amount of money which was taken from the business during a particular reporting period.

Inventory Turnover = Cost of Sales × 365 days

 Average Inventory

 = 0

 0

 = 0

ANALYSIS This measures how an inventory is produced from the period in which the inventory is produced up to the period the inventory is being sold.

EFFICIENCY / PROFITABILITY RATIOS

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 55,350

 3,591,305

 = 0.02

ANALYSIS This shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are

Capital Employed = Total Assets – Current Liabilities

 = 3,591,305 – 0

 = 3,591,305

* Gross Profit Margin = Gross Profit × 100%

 Sales

 = 0

 0

 = 0

ANALYSIS: This shows the percentage gross profit that the company has made

* Net Profit Margin = Net Profit × 100%

 Sales

 = 41,047 × 100%

 0

ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity.

* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 20,964 × 100%

 166,804

 = 0.13

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses.

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 20,964 × 100%

 0

 =

ANALYSIS This shows that the company has an improvement in profit as a result of the fact that expenses is fallen slower than sales of the company.

INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 41,047

 17,100

 = 2.40

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period.

* Price Earnings Ratios = Market Per Share

 Earnings Per Share

 = 0.50

 2.40

 = 0.21

ANALYSIS This explains the number of years earnings of the company would take

* Earnings Yield = Earnings Per Share

 Market per share

 = 2.40

 0.50

 = 4.80

ANALYSIS This shows that the company has a potential return on the shareholders investment

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 364,598

 45,000

 = 8.10

ANALYSIS This indicates that the company’s amount of net assets is attributable to each ordinary share that is issued

Net Assets= (Total Fixed Assets + Total Current Assets) – (Total Current Liabilities + Total Long term Liabilities)

 = 3,591,305 – 3,226,707

 = 364,598

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 = 29,072

 45,000

 = 0.65

ANALYSIS This shows that the company amount of gross dividends is declared on every issued ordinary shares ranking for dividends in a reporting year.

* Dividend Yield = Dividends Per Share

 Market Per Share

 = 0.65

 0.50

 = 1.3

ANALYSIS This shows that the amount of what the company is attributable to in earnings is being paid to the ordinary shareholders in the form of dividends

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 = 41,047

 29,072

 = 1.41

ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity

LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Fixed Interest loans + Preference share capital

 Ordinary shares capital + Capital reserves

 = 17,100

ANALYSIS This measures how the degree of vulnerability of the company towards the financial risk attached to fixed interest securities.

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

 = 55,350

 36,842

 = 1.50

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that the have the higher level of confidence for lenders in the ability of the company to pay the loans

* Total Debt to Shareholders’ Fund = Non-Current Liabilities + Current Liabilities

 Equity

 = 3,226,707

 364,598

 = 8.85

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities.

**STERLING PLC**

 **SHORT TERM SOLVENCY /LIQUIDITY RATIOS**

* Current Ratio= Current Assets

 Current Liabilities

 = 0

 0

 = 0

ANALYSIS This means that the company was not able to meet their excessive amount of current assets and fully utilization of their resources towards the business

* Quick Assets ratio or Acid Test Ratio = Current Assets-Inventory

 Current Liabilities

 = 0

 0

 = 0

ANALYSIS This expresses that the company was able to use their relative amount of cash and other assets which can easily be converted to cash that are available to meet the current liability efficiently.

* Receivables Collection Period = Average Trade Receivables × 365 days

 Credit Sales

 = 0 × 365 days

 0

 = 0 days

ANALYSIS This measures the average number of days that the company hasn’t received their money which their customers are owing them.

* Payables Payment Period = Average Trade Payables × 365 days

 Credit Purchases

 = 0 × 365 days

 0

 = 0 days

ANALYSIS This measures the average number of days that the trade payables hasn’t been unpaid by the company.

* Inventory Turnover Period = Average Trade Inventory × 365 days

 Cost of Sales

 = 0 × 365 days

 0

 = 0 days

ANALYSIS This measures the average number of days that the company inventory still remains in the store which hasn’t been sold out yet.

* Receivables Turnover = Credit Sales × 365 days

 Average Receivables

 = 0 × 365 days

 0

 = 0 days

ANALYSIS: This expresses how the company have taking an amount of money from the business during a particular reporting period.

* Payables Turnover = Credit Purchases × 365 days

 Average Payables

 = 0 × 365 days

 0

 = 0 days

ANALYSIS: This expresses how the company haven’t paid the amount of money which was taken from the business during a particular reporting period

* Inventory Turnover = Cost of Sales × 365 days

 Average Inventory

 = 0 × 365 days

 0

 = 0 days

ANALYSIS This measures how an inventory is produced from the period in which the inventory is produced up to the period the inventory is being sold

EFFICIENCY / PROFITABILITY RATIOS

* Return on Capital Employed = Profit (Return)

 Capital Employed

 = 9,489

 1,102,921

 = 8.60

ANALYSIS this shows how efficiency of management the company especially in the utilization of their resources which is placed at their disposal an how also how profitable they are.

Capital Employed = Total Assets – Current Liabilities

 = 1,102,921 - 0

 = 1,102,921

* Gross Profit Margin = Gross Profit × 100%

 Sales

 = 152,164 × 100%

 0

 =

ANALYSIS: This shows the percentage gross profit that the company has made

* Net Profit Margin = Net Profit × 100%

 Sales

 = 9,218 × 100%

 0

1. ANALYSIS This shows the profitability of this company after deducting their expenses and adding their income so whatever is left is then taking to account which is statement of changes of equity
* Expenses Percentage= Individual Expenses × 100%

 Total Expenses

 = 13,194 × 100%

 66,950

 = 20%

ANALYSIS This shows the company’s relative weight of expenses in relation to their total expenses.

* Expenses to Sales = Individual Expenses × 100%

 Sales

 = 13,194 × 100%

 0

ANALYSIS This shows that the company doesn’t have an improvement in profit as a result of the fact that expenses is fallen slower than sales of the company.

INVESTORS/SHAREHOLDERS RATIOS

* Earnings Per Share= Profit after Tax – Preference Dividend

 Number of Ordinary Shares

 = 9,218

 32,000

 = 0 .29

ANALYSIS: This ratio shows that the company has an indication on the amount of net profit after tax or their preference dividends which is being attributable to each of the ordinary shares issued during the period.

* Price Earnings Ratios = Market Per Share

 Earnings Per Share

 = 0.50

 0.29

 = 1.72

ANALYSIS This explains the number of years earnings of the company would take

* Earnings Yield = Earnings Per Share

 Market per share

 = 0.29

 0.50

 = 0.58

ANALYSIS This shows that the company has a potential return on the shareholders investment

* Net Assets Per Share = Net Assets-Preference Share Capital

 No. of Ordinary Shares

 = 97,800

 32,000

 = 3.06

ANALYSIS This indicates that the company’s amount of net assets is attributable to each ordinary share that is issued.

Net Assets= (Total Fixed Assets + Total Current Assets) – (Total Current Liabilities + Total Long term Liabilities)

 = 1,102,921 - 1,005,121

 = 97,800

* Dividends Per Share = Gross Dividends

 No. of Ordinary Shares

 = 32000

ANALYSIS This shows that the company amount of gross dividends is declared on every issued ordinary shares ranking for dividends in a reporting year.

* Dividend Yield = Dividends Per Share

 Market Per Share

 = 32000

 0.50

 = 64000

ANALYSIS This shows that the amount of what the company is attributable to in earnings is being paid to the ordinary shareholders in the form of dividends.

* Dividend Cover = Profit after Tax – Preference Dividend

 Gross Dividend

 =9,218

ANALYSIS This is measuring the current actual return on the shareholders’ investment which is also measuring the cost of equity.

LONG TERM SOLVENCY / STABILITY RATIOS

* Gearing Ratio = Fixed Interest loans + Preference share capital

 Ordinary shares capital + Capital reserves

ANALYSIS This measures how the degree of vulnerability of the company towards the financial risk attached to fixed interest securities.

* Fixed Interest Cover = Profit before Interest & Tax

 Fixed Interest

ANALYSIS This is measuring the number of times fixed interest is covered by profit which means that the have the lower level of confidence for lenders in the ability of the company to pay the loans.

* Total Debt to Shareholders’ Fund = Non-Current Liabilities + Current Liabilities

 Equity

 = 1,005,121

 97,800

 = 10.28

ANALYSIS This measures how solvent the company is and also indicates how they are to the extent of cover for their external liabilities.