BUA Foods Plc RC 621320

UNAUDITED FINANCIAL STATEMENTS



FOR THE THREE MONTHS ENDED 31ST MARCH 2022

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Statement of Significant Accounting Policies

The following are the significant accounting policies adopted by the company in the preparation of its Financial Statements.

1 BASIS OF PREPARATION

These Financial Statements have been prepared in compliance with IAS 34 Interim Financial Reporting and relevant International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (the IASB).

These Financial Statements were prepared under the historical cost convention.

The principal accounting policies applied in the presentation of the Financial Statements are set out below. These policies have been applied to all the periods presented except for the adoption of new accounting policies.

2. REVENUE

Revenue is measured at fair value of the consideration received or receivable net of value added tax, excise duties returns, customers discounts and other sales related discounts.

Revenue from the sale of products is recognised in profit or loss when the contract has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance and collectibility has been ascertained as probable. Collectibility of customers payment is ascertained from the customers historical records, guarantees provided, and advance payments made if any.

The five steps recognition process for revenue is listed below:

- identify the contract with a customer
- identify the performance obligation in the contract
- determine the transaction price
- allocate the price to the performance obligation
- recognise revenue

3. COST OF GOODS SOLD

These are the cost of internally produced goods sold. The cost of internally produced goods include directly attributable costs such as the cost of direct materials, direct labour, and energy costs, as well as production overheads, including depreciation of production facilities. The cost of goods sold includes

Statement of Significant Accounting Policies contd.

write-downs of inventories where necessary.

4. SELLING AND DISTRIBUTION EXPENSES

Comprises the cost of marketing, cost of organising the sales process and distribution.

5. FOREIGN CURRENCY

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the company operate ('the functional currency'). The functional currency and presentation currency of the Company is the Nigerian Naira (=N=).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from settlement of foreign currency transactions and from the translation of exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency are recognised in the foreign exchange gain or loss in profit or loss.

6. FINANCIAL INSTRUMENTS

Financial instruments represent the Company's financial assets and liabilities. Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. These instruments are typically held for liquidity, investment, trading or hedging purposes. All financial instruments are initially recognized at fair value plus directly attributable transaction cost except those carried at fair value through profit or loss where transaction cost are recognized immediately in profit or loss.

Financial instruments are recognized (derecognized) on the date the Company commits to purchase (sell) the instruments (trade date accounting).

Financial assets include trade and other receivables, cash and bank balances and certain other assets.

Financial liabilities include term loans, bank overdraft, trade and certain other liabilities.

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company's has not classified any of its financial assets as held to maturity.

Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost, depending on their classifications below. The company's accounting policy for each category is as follows:

Statement of Significant Accounting Policies contd.

i. Trade and Other Receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers, but also incorporate other types of contractual monetary assets. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty of default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

ii. Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash.

Impairment of financial assets carried at amortised cost

The Company assesses at each reporting date whether there is objective evidence that trade and other receivables are impaired. Trade and other receivable is impaired if objective evidence indicates that a loss event has occurred after initial recognition and that loss event has a negative effect on the estimated future cash flows of the receivables that can be estimated reliably.

Criteria that are used by the Company in determining whether there is objective evidence of impairment include:

- known cash flow difficulties experienced by the customer;
- a breach of contract, such as default or delinquency in repayment for goods and service;
- breach of credit terms or conditions and;
- it is becoming probable that the customer will enter bankruptcy or other financial reorganisation.

Statement of Significant Accounting Policies contd.

Financial liabilities

These include the following items:

i. Bank borrowings

Bank borrowings are initially recognized at fair value, net of any transaction costs incurred.

Borrowings are subsequently carried at amortised costs; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

General and specific borrowing costs directly attributable to acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the profit or loss in the period in which they are incurred.

ii. *Trade payables and other short-term monetary liabilities*

These are initially recognized at fair value and subsequently carried at amortised cost using the effective interest method.

Fair value

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received, unless the fair value is evidenced either by comparison with other observable current market transactions in the same instrument, without modification or repackaging or based on valuation techniques such as discounted cash flow models and option pricing models whose variables include only data from observable markets. When such valuation models with only observable market data as inputs or the comparison with other observable current market transactions in the same instrument indicate that the fair value differs from the transaction price, the initial difference will be recognised in the profit or loss immediately.

The Company does not have any financial instruments (derivatives, etc.) that warrant such valuation method.

Derecognition of financial instruments

Financial assets are derecognized when the contractual rights to receive cash flows from the financial

Statement of Significant Accounting Policies contd.

assets have expired or where the company has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset.

Financial liabilities are derecognized when they are extinguished, i.e. when the obligation is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an an existing financial liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts being recognized in profit or loss.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in event of default, insolvency or bankruptcy of the Company or counterparty.

7. RETIREMENT BENEFITS:

The Company operates two pension scheme for its employees: Defined Contribution Scheme and Defined Benefit Scheme. The defined pension contribution plan is based on a percentage of pensionable earnings funded through contributions from the Company (10%) and employees (8%). The fund is administered by the Pension Fund's administrators. Contributions to this plan are recognised as an expense in the profit or loss in the periods during which services are rendered by employees.

Defined benefit schemes also referred to as employee end of service gratuities are regarded as post-employment benefits.

9. CURRENT TAXATION

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

10. DEFERRED TAXATION

Deferred tax is recognized where the carrying amount of an asset or liability in the statement of

Statement of Significant Accounting Policies contd.

financial position differs from its tax base. Recognition of deferred tax is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilized. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities / (assets) are settled / (recovered).

11. PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are stated at historical cost less depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item to the Company and the cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecoginised when replaced. All other repairs and maintenance cost are charged to the profit or loss during the financial period in which they are incurred.

Capital work in progress are not depreciated. Depreciation of assets commences when assets are available for use. Depreciation on other assets are calculated using straight line method over their expected useful economic lives as follows:

	Useful life (years)
Land	Not depreciable
Buildings	30- 50
Plant and Machinery	7-50
Furniture and Fittings	5
Trucks	5
Computer and Office Equipments	5
Motor vehicles	8
Construction Work in Progress	Nil

These assets residual values and useful lives are reviewed and adjusted if appropriate at end of the reporting year.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the estimated selling price in the ordinary course of business less

Statement of Significant Accounting Policies contd.

cost to sell and value in use. Impairment losses and reversal of previously recognised impairment losses are recognised within administrative expenses in profit or loss.

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefit are expected from its use or disposal. Gains or losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within other income or other expenses-net in profit or loss.

12. INVENTORIES

Inventories are stated at the lower of cost and net realizable value after providing for any obsolescence and damages determined by the management. Costs are those expenses incurred in bringing each product to its present location and condition which are computed as follows:

- Raw materials, spare parts and consumables: Actual costs include transportation, handling charges and other related costs.
- Work in progress and finished goods: Cost of direct materials, direct labour and other direct cost plus attributable overheads based on standard costing.
- Finished Goods: Direct cost plus all production overheads.
- Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated cost to sell.

Allowance is made for excessive, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in the period in which the write-downs or losses occur.

13. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include:

- Entities over which the company exercises significant influence
- Shareholders and key management personnel of the Company
- Close family members of key management personnel
- Post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the Company.

Statement of Significant Accounting Policies contd.

Key management personnel comprise the Board of Directors and key members of the management having authority and responsibility for planning, directing and controlling the activities of the Company.

The Company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using the current market price or admissible valuation method.

14. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the statement of financial position date.

15. PROVISIONS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation and the amount has been reliably estimated.

16. BORROWING COSTS CAPITALISED

Borrowing costs that relate to qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale and which are not measured at fair value, are capitalized.

All other borrowing costs are recognized in profit or loss.

17. RIGHT OF USE ASSET

Right of use asset are initially measured at cost comprising of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

The Right of Use and lease liability are presented separately from other non-lease assets and liability in the statement of financial position.

Statement of Significant Accounting Policies contd.

18. LEASES

The Company primarily leases building used as offices and warehouse. The lease terms are typically for fixed periods ranging from 1 year to 2 years but may have extension options as described below. On renewal of lease, the terms may be renegotiated.

Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and non-lease components and instead accounts them as a single lease component. Lease terms are negotiated on an individual basis and contain different terms and conditions including extension and termination options. The lease agreement do not impose any covenants; however, leased assets may not be used as security for borrowing purposes.

19. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments has been identified as BUA Foods Plc leadership team which comprises of the Board of Directors and other executive officers.

20. COMPARATIVE FIGURES

Where necessary, comparative figures with notes have been restated to conform to changes in presentation in the current year.

Statement of Profit or Loss and Other Comprehensive Income for the Three Months Ended 31st March

	Notes	Unaudited Q1 2022 ₦'000	Unaudited Q1 2021 ₦'000	Unaudited Q1 2022 ₦'000	Unaudited Q1 2021 ₦'000
		Group	Group	Company	Company
Turnover	1	90,066,980	70,202,853	65,875,778	46,588,136
Cost of Sales	2	61,736,953	45,561,700	48,896,944	32,129,033
Gross Profit		**28,330,027**	**24,641,153**	**16,978,833**	**14,459,103**
Administrative expenses	4	1,518,513	1,022,960	1,063,908	827,532
Selling & distribution expenses		708,340	812,087	708,339	812,087
Operating Profit		**26,103,175**	**22,806,106**	**15,206,586**	**12,819,484**
Other Income	3	391,479	6,645	390,735	6,292
Finance Charges		1,655,646	1,559,940	1,574,949	1,559,940
Net Profit/(Loss) Before Tax		**24,839,008**	**21,252,811**	**14,022,373**	**11,265,836**
Income Taxes		1,994,517	1,992,790	1,994,517	1,992,790
Net Profit After Tax		**22,844,491**	**19,260,021**	**12,027,856**	**9,273,046**
EPS		**1.27**	**1.07**	**0.67**	**0.52**

Statement of Financial Position as at

	Notes	Unaudited 31st Mar 2022 ₦'000	Audited 31st Dec 2021 ₦'000	Unaudited 31st Mar 2022 ₦'000	Audited 31st Dec 2021 ₦'000
		Group	Group	Company	Company
ASSETS					
Non-current Assets					
Property, Plant and Equipments	5	322,145,996	321,675,653	248,036,820	248,630,430
Right of Use Assets	6	785,137	1,036,460	31,798	32,008
Biological assets		577,395	543,901	-	-
Investment in subsidiaries		-	-	407,670	407,670
Total Non-Current Assets		**323,508,529**	**323,256,014**	**248,476,288**	**249,070,108**
Current Assets					
Inventories	7	13,861,044	24,926,471	9,551,106	15,249,639
Trade and other receivables	8	71,909,119	52,160,076	71,871,079	52,142,637
Due from Related Companies		175,973,688	162,788,169	232,648,973	235,897,154
Cash and Short Term Deposits	9	34,457,222	30,338,785	34,426,844	30,314,360
Total Current Assets		**296,201,073**	**270,213,501**	**348,498,002**	**333,603,790**
Total Assets		**619,709,602**	**593,469,515**	**596,974,289**	**582,673,898**
LIABILITIES AND EQUITY					
Equity					
Share Capital	10	9,000,000	9,000,000	9,000,000	9,000,000
Reorganisation and other reserves		(943,228)	(943,228)	391,961	391,961
Retained Earnings		215,506,392	192,661,901	203,228,699	191,200,843
Total Equity		**223,563,164**	**200,718,673**	**212,620,660**	**200,592,804**
LIABILITIES					
Non-current Liabilities					
Deferred Tax Liabilities		15,225,186	15,225,186	15,225,186	15,225,186
Borrowings		4,889,870	4,889,870	4,889,870	4,889,870
Lease Liabilities		33,592	33,611	33,592	33,611
Deposit for Shares		32,243,723	32,243,723	32,243,723	32,243,723
Total Non-Current Liabilities		**52,392,371**	**52,392,390**	**52,392,371**	**52,392,390**
Current Liabilities					
Contract Liabilities		34,344,691	40,931,459	34,344,691	40,931,459
Current Income Tax Liabilities		14,773,262	12,778,745	14,773,262	12,778,745
Lease Liabilities		4,369,027	4,292,441	54	4,165
Bank Overdraft	9	7,355,032	2,851,413	7,355,032	2,851,413
Borrowings	11	218,323,470	241,159,110	218,323,470	241,159,110
Trade and Other Payables	12	64,588,585	38,345,284	57,164,749	31,963,812
Total Current Liabilities		**343,754,067**	**340,358,452**	**331,961,259**	**329,688,704**
Total Liabilities		**396,146,438**	**392,750,842**	**384,353,629**	**382,081,094**
Total Liabilities and Equity		**619,709,602**	**593,469,515**	**596,974,289**	**582,673,898**

The financial statements and notes on pages 10 to 20 were approved by the Board of Directors on 28th April , 2022 and signed on its behalf by:

Abdul Samad Rabiu
Chairman
FRC/2014/IODN/00000010111

Ayodele Abioye
Acting Managing Director
FRC/2022/PRO/FORM/C07/003/00000023864

Abdulrasheed Olayiwola
Chief Finance Officer
FRC/2014/ICAN/00000010407

Statement of Changes in Equity

	Share Capital	Retained Earnings	Reorganization & Other Reserve	Total Equity
Group	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Balance at 1 January 2022	**9,000,000**	**192,661,901**	**(943,228)**	**200,718,673**
Profit for the period	-	22,844,491	-	22,844,491
Balance at 31 March, 2022	**9,000,000**	**215,506,392**	**(943,228)**	**223,563,164**
Balance at 1 January 2021	**20,000**	**16,868,207**	**-**	**16,888,207**
Profit for the period	-	19,260,021	-	19,260,021
Balance at 31 March, 2021	**20,000**	**36,128,228**	**-**	**36,148,228**
Company				
Balance at 1 January 2022	**9,000,000**	**191,200,843**	**391,961**	**200,592,804**
Profit for the period	-	12,027,856	-	12,027,856
Balance at 31 March, 2022	**9,000,000**	**203,228,699**	**391,961**	**212,620,660**
Balance at 1 January 2021	**20,000**	**16,778,115**	**-**	**16,798,115**
Profit for the period	-	9,273,046	-	9,273,046
Balance at 31 March, 2021	**20,000**	**26,051,161**	**-**	**26,071,161**

Statement of Cash Flows for the Three Months ended

	Unaudited 31st March 2022 ₦'000	Unaudited 31st March 2021 ₦'000	Unaudited 31st March 2022 ₦'000	Unaudited 31st March 2021 ₦'000
	Group	Group	Company	Company
Cash Flows From Operating Activities				
Profit for the period	24,839,008	21,252,811	14,022,373	11,265,836
Adjustments for:	-	-	-	-
Depreciation of property, plant and equipment	1,577,277	1,829,912	1,572,400	1,827,668
Depreciation of right of use asset	251,323	251,113	210	-
Finance income	(387,295)	-	(386,551)	-
Finance cost	1,655,646	1,535,980	1,574,949	1,535,980
SUB TOTAL	**27,935,960**	**24,869,816**	**16,783,381**	**14,629,484**
Changes in receivables from customers	(19,749,043)	20,049,074	(19,728,442)	20,049,074
Changes in due from related companies	(13,185,519)	(14,688,690)	3,248,181	2,105,911)
Changes in inventory	11,065,427	1,166,496	5,698,533	(97,891)
Changes in payable to suppliers	17,346,659	(3,219,182)	16,389,872	(4,298,385)
Changes in lease liabilities	76,586	-	(4,111)	-
SUB TOTAL	**(4,445,890)**	**3,307,698**	**5,604,033**	**13,546,887**
Net cash from operating activities	**23,490,070**	**28,177,514**	**22,387,414**	**28,176,371**
Cash Flows From Investing Activities				
Acquisition/Disposal of property, plant & equipment	(470,343)	11,061	593,610	-
Purchase of Biological assets THIS WAS ADDED	(33,494)	-	-	-
Interest received	387,295	30,999	386,551	-
Net cash used in investing activities	**(116,542)**	**42,060**	**980,161**	**-**
Cash Flows From Financing Activities				
Proceed from borrowings	3,441,102	(3,878,885)	3,441,102	(3,878,885)
Repayment of borrowings	(26,647,269)	(9,860,445)	(26,647,269)	(9,860,445)
Interest paid on borrowings	(552,524)	(1,535,980)	(552,524)	(1,535,980)
Lease liability payment	(19)	(12)	(19)	(12)
Net cash from financing activities	**(23,758,710)**	**(15,275,321)**	**(23,758,710)**	**(15,275,321)**
Net increase/(decrease) in cash and cash equivalents	(385,182)	12,944,252	(391,135)	12,901,049
Cash and cash equivalents at the beginning of the period	27,487,372	16,137,980	27,462,947	16,120,595
Cash and cash equivalents at the end of the period	27,102,190	29,082,232	27,071,812	29,021,644

Notes to the Unaudited Financial Statements for the Three Months ended 31st March 2022

1. NET REVENUE	YTD 31 March 2022 ₦'000	YTD 31 March 2021 ₦'000	YTD 31 March 2022 ₦'000	YTD 31 March 2021 ₦'000
	Group	Group	Company	Company
Sales - Sugar(Non Fortified)	22,657,602	18,296,565	15,294,205	17,023,471
Sales - Sugar(Fortified)	31,477,803	28,396,280	14,728,881	6,089,820
Sales - Molasses	142,884	110,372	64,000	75,209
Sales - Bakery Flour	18,324,000	12,604,545	18,324,000	12,604,545
Sales - Pasta	15,934,842	9,644,651	15,934,842	9,644,651
Sales - Wheat Bran	1,529,850	1,150,440	1,529,850	1,150,440
	90,066,980	**70,202,853**	**65,875,778**	**46,588,136**
2. COST OF SALES				
Raw Materials	54,557,351	39,782,903	42,248,091	27,828,003
Energy	2,188,656	1,958,620	1,816,393	1,202,394
Depreciation	1,483,639	1,463,963	1,482,279	1,458,806
Other Factory Expenses	3,507,307	2,356,214	3,350,181	1,639,830
	61,736,953	**45,561,700**	**48,896,944**	**32,129,033**
3. OTHER INCOME				
Other Income	387,295	2,725	386,551	2,372
Scrap	4,184	3,920	4,184	3,920
	391,479	**6,645**	**390,735**	**6,292**
4. COMPONENTS OF ADMINISTRATION EXPENSES				
Salaries,Wages & Benefit	385,966	267,274	316,092	189,015
Transport and Travelling	7,595	7,656	7,438	7,312
Medical	5,084	7,106	4,051	6,934
Expatriate expenses	19,592	28,930	18,434	19,753
Entertainment	823	690	582	690
Staff Welfare & Training	12,773	7,900	10,379	7,900
Terminal Benefits	-	200,000	-	200,000
Electricity	1,582	1,794	518	1,084
Printing & Stationeries	7,615	3,054	5,900	2,142
Newspapers & Periodicals	-	-	-	-
Rent, Rate & Insurance	5,451	-	(1,246)	-

Notes to the Unaudited Financial Statements for the Three Months ended 31st March 2022

4. Components Of Administration Expenses contd.

	YTD 31 March 2022 ₦'000	YTD 31 March 2021 ₦'000	YTD 31 March 2022 ₦'000	YTD 31 March 2021 ₦'000
	Group	Group	Company	Company
Office Maintenance	5	-	5	-
Donations	-	-	-	-
Telephone & Internet	1,860	1,180	1,842	1,180
Subscription	1,787	3,059	1,105	2,519
Legal & Professional	30,223	150	30,223	150
Postages & Courier	312	1,315	273	1,297
Office Expenses	37,150	10,110	36,984	10,110
General Expenses	232,428	172,145	221,075	166,575
Security Expenses	17,091	13,923	15,681	13,923
Diesel & Fuel	66,726	20,095	64,345	19,382
Advertisement	15,223	6,309	13,796	6,268
Cleaning & Water	19,567	12,667	16,493	8,605
Hotel, Accommodation, event space etc	3,302	-	3,302	-
Maint & Repairs-Others	431	553	-	-
Maint & Repairs	206,514	77,521	206,514	77,521
Depreciation	93,638	87,416	90,121	85,172
Haulage of sugar	345,774	92,113	-	-
	1,518,513	**1,022,960**	**1,063,908**	**827,532**

Notes to the Unaudited Financial Statements for the Three Months ended 31st March 2022

5a. PROPERTY, PLANT & EQUIPMENTS (GROUP)

	Land & Building	Plant & Machinery	Furniture & Fittings	Motor Vehicle	Trucks	Office Equipment	CWIP	Total Cost
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Balance as at January 1, 2022	**13,626,559**	**192,943,949**	**222,587**	**661,980**	**2,097,662**	**298,960**	**159,540,544**	**369,392,242**
Addition	(266,154)	(8,437,905)	17,887	121,818	-	49,459	682,436	(7,832,459)
Balance at March 31, 2022	**13,360,405**	**184,506,044**	**240,474**	**783,798**	**2,097,662**	**348,419**	**160,222,980**	**361,559,783**
Balance as at January 1, 2021	**11,111,808**	**170,779,415**	**253,176**	**689,071**	**2,097,662**	**489,495**	**67,815,187**	**253,235,814**
Addition	119,033	82,104	46,432	28,600	-	30,936	106,988,630	107,295,735
Balance at December 31, 2021	**11,230,841**	**170,861,519**	**299,608**	**717,671**	**2,097,662**	**520,431**	**174,803,817**	**360,531,549**
ACCUMULATED DEPRECIATION								
Balance as at January 1, 2022	**1,839,276**	**33,275,734**	**108,923**	**500,793**	**1,999,613**	**112,170**	**-**	**37,836,509**
Charge for the period	53,245	1,496,272	9,061	9,986	-	8,713	-	1,577,277
Balance at March 31, 2022	**1,892,521**	**34,772,006**	**117,984**	**510,779**	**1,999,613**	**120,883**	**-**	**39,413,786**
Balance as at January 1, 2021	**1,636,392**	**26,895,891**	**120,391**	**509,639**	**2,046,302**	**251,551**	**-**	**31,460,166**
Charge for the period	236,767	6,978,516	57,343	70,077	(46,689)	99,716	-	7,395,730
Balance at December 31, 2021	**1,873,159**	**33,874,407**	**177,734**	**579,716**	**1,999,613**	**351,267**	**-**	**38,855,896**
NET BOOK VALUE								
Balance at March 31, 2022	**11,467,884**	**149,734,039**	**122,490**	**273,019**	**98,049**	**227,537**	**160,222,980**	**322,145,996**
Balance at December 31, 2021	**9,357,682**	**136,987,112**	**121,874**	**137,955**	**98,049**	**169,164**	**174,803,817**	**321,675,653**

5a. PROPERTY, PLANT & EQUIPMENTS (COMPANY)

Balance as at January 1, 2022	**12,662,984**	**192,470,135**	**140,082**	**624,349**	**2,097,662**	**142,350**	**87,247,646**	**295,385,209**
Addition	(269,398)	(8,437,905)	8,611	62,218	-	2,039	682,436	(7,951,999)
Balance at March 31, 2022	**12,393,586**	**184,032,230**	**148,693**	**686,567**	**2,097,662**	**144,389**	**87,930,082**	**287,433,210**
Balance as at January 1, 2021	**10,245,896**	**169,752,823**	**123,694**	**624,349**	**2,097,662**	**112,617**	**336,476**	**183,293,517**
Addition	7,404	277,954	16,385	-	-	29,733	103,124,029	103,455,505
Balance at December 31, 2021	**10,253,300**	**170,030,777**	**140,079**	**624,349**	**2,097,662**	**142,350**	**103,460,505**	**286,749,022**
ACCUMULATED DEPRECIATION								
Balance as at January 1, 2022	**1,839,276**	**33,275,734**	**99,246**	**500,793**	**1,999,613**	**109,327**	**-**	**37,823,989**
Charge for the period	53,245	1,496,272	7,008	8,744	-	7,131	-	1,572,400
Balance at March 31, 2022	**1,892,521**	**34,772,006**	**106,254**	**509,537**	**1,999,613**	**116,458**	**-**	**39,396,389**
Balance as at January 1, 2021	**1,624,424**	**26,490,386**	**74,323**	**477,277**	**2,046,302**	**85,112**	**-**	**30,797,824**
Charge for the period	222,546	7,045,190	26,388	46,747	(46,689)	26,586	-	7,320,768
Balance at December 31, 2021	**1,846,970**	**33,535,576**	**100,711**	**524,024**	**1,999,613**	**111,698**	**-**	**38,118,592**
NET BOOK VALUE								
Balance at March 31, 2022	**10,501,065**	**149,260,225**	**42,439**	**177,030**	**98,049**	**27,932**	**87,930,082**	**248,036,820**
Balance at December 31, 2021	**8,406,330**	**136,495,201**	**39,368**	**100,325**	**98,049**	**30,652**	**103,460,505**	**248,630,430**

5.1 REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

No recent revaluation has been done by the company. The Directors are of the opinion that the carrying value of property, Plant & machinery approximate its fair value.

Notes to the Unaudited Financial Statements for the Three Months ended 31st March 2022

6. RIGHTS OF USE ASSET	31-Mar-22 N'000	31-Dec-21 N'000	31-Mar-22 N'000	31-Dec-21 N'000
	Group	Group	Company	Company
Building leases	3,136,394	3,136,394	123,036	123,036
Additions	-	-	-	-
Accumulated Depreciation of ROU	(2,351,257)	(2,099,934)	(91,238)	(91,028)
Balance at end of period	**785,137**	**1,036,460**	**31,798**	**32,008**

7. INVENTORIES				
Raw Materials	8,348,992	11,415,957	7,673,465	2,504,859
Work In Progress	421,546	327,155	362,973	221,749
Finished Goods	3,160,379	3,454,544	79,649	3,252,043
Packaging, Energy & Consumables	1,930,127	1,358,665	1,435,019	900,838
Goods in Transit	-	8,370,150	-	8,370,150
	13,861,044	**24,926,471**	**9,551,106**	**15,249,639**

There is no amount of write-down of inventories recognised as an expense during the period.

None of the inventories of the Company were pledged as security for loans as at the reporting date.

8. Trade and Other Receivables	31-Mar-22 N'000	31-Dec-21 N'000	31-Mar-22 N'000	31-Dec-21 N'000
	Group	Group	Company	Company
Prepayments	1,241,164	292,269	1,224,489	275,482
Trade Debtors	(1,635,033)	1,740,877	(1,635,033)	1,740,877
Other Receivables	72,302,988	50,126,930	72,281,623	50,126,278
	71,909,119	**52,160,076**	**71,871,079**	**52,142,637**

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

Notes to the Unaudited Financial Statements for the Three Months ended 31st March 2022

9. CASH AND SHORT TERM DEPOSITS

	31-Mar-22 ₦'000	31-Dec-21 ₦'000	31-Mar-22 ₦'000	31-Dec-21 ₦'000
	Group	Group	Company	Company
Cash in hand	16,242	169,574	1,166	151,788
Cash in Bank	34,440,980	30,169,211	34,425,678	30,162,572
	34,457,222	**30,338,785**	**34,426,844**	**30,314,360**

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

The Company has not pledged part of its short-term deposits in order to fulfil collateral requirements with any Banks. Cash and Bank equivalent is exclusive of overdraft balance.

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following as at:

	31-Mar-22 ₦'000	31-Dec-21 ₦'000	31-Mar-22 ₦'000	31-Dec-21 ₦'000
	Group	Group	Company	Company
Cash in Hand	16,242	169,574	1,166	151,788
Cash in bank	34,440,980	30,169,211	34,425,678	30,162,572
Overdraft	(7,355,032)	(2,851,413)	(7,355,032)	(2,851,413)
	27,102,190	**27,487,372**	**27,071,812**	**27,462,947**

10. SHARE CAPITAL

	31-Mar-22 ₦'000	31-Mar-21 ₦'000	31-Mar-22 ₦'000	31-Mar-21 ₦'000
	Group	Group	Company	Company
10a Authorised				
18,000,000,000 Ordinary shares of N0.50k each	9,000,000		9,000,000	
40,000,000 Ordinary shares of N0.50k each		20,000		20,000
10b. Issued and fully paid				
18,000,000,000 Ordinary shares of N0.50k each	9,000,000		9,000,000	
40,000,000 Ordinary shares of N0.50k each		20,000		20,000

Notes to the Unaudited Financial Statements for the Three Months ended 31st March 2022

11a. BORROWINGS	31-Mar-22 ₦'000	31-Dec-21 ₦'000	31-Mar-22 ₦'000	31-Dec-21 ₦'000
	Group	Group	Company	Company
Non-Current Borrowings				
Bank borrowings	4,889,870	4,889,870	4,889,870	4,889,870
Current				
Bank borrowings	-	2,973,995	-	2,973,995
Short term Loan	218,323,470	238,185,115	218,323,470	238,185,115
Total Borrowings	**223,213,340**	**246,048,980**	**223,213,340**	**246,048,980**

11b. Movement in borrowings are analysed as follows:

	31-Mar-22 ₦'000	31-Dec-21 ₦'000	31-Mar-22 ₦'000	31-Dec-21 ₦'000
	Group	Group	Company	Company
Opening amount as at 1st January 2021	246,048,980	128,237,727	246,048,980	128,237,727
Additional drawdowns in the year	3,441,102	269,733,940	3,441,102	269,733,940
Principal repayments	(26,647,269)	(153,138,049)	(26,647,269)	(153,138,049)
Interest expenses	923,051	2,980,794	923,051	2,980,794
Interest paid	(552,524)	(1,765,432)	(552,524)	(1,765,432)
Total Borrowings	**223,213,340**	**246,048,980**	**223,213,340**	**246,048,980**

11c. Net debt comprises:	31-Mar-22 ₦'000	31-Dec-21 ₦'000	31-Mar-22 ₦'000	31-Dec-21 ₦'000
	Group	Group	Company	Company
Cash and cash equivalents	(34,457,222)	(30,338,785)	(34,426,844)	(30,314,360)
Borrowings - current	218,323,470	241,159,110	218,323,470	241,159,110
Borrowings - non-current	4,889,870	4,889,870	4,889,870	4,889,870
Borrowings - overdraft	7,355,032	2,851,413	7,355,032	2,851,413
Net debt	**196,111,150**	**218,561,608**	**196,141,528**	**218,586,033**

Notes to the Unaudited Financial Statements for the Three Months ended 31st March 2022

12. CREDITORS, ACCRUALS AND OTHER CURRENT LIABILITIES

	31-Mar-22 ₦'000	31-Dec-21 ₦'000	31-Mar-22 ₦'000	31-Dec-21 ₦'000
	Group	Group	Company	Company
Provisions and Accruals/Accrued Audit Fees	67,960	61,750	67,960	61,750
Other Payables	3,924,760	3,061,757	3,155,040	2,965,019
Trade Creditors/ Other Current Liabilities	27,155,518	3,858,564	25,130,823	3,614,311
Withholding/ Value Added Tax Payables	33,440,293	31,363,213	28,810,872	25,322,732
Lease Liabilities- Current	54	-	54	-
	64,588,585	**38,345,284**	**57,164,749**	**31,963,812**

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