

Cadbury Nigeria Plc

Annual report and financial statements
For the year ended 31 December 2023

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Financial highlights

<i>In thousands of naira</i>	2023	2022	Change %
Revenue	80,378,955	55,212,617	46
Gross profit	17,337,427	7,722,811	124
Result from operating activities	7,872,189	194,063	3,957
(Loss)/Profit before tax	(28,157,034)	1,298,410	(2,269)
(Loss)/Profit for the year	(19,089,704)	583,111	(3,374)
Share capital	939,101	939,101	-
Total equity	(6,513,678)	13,302,629	(149)
Data per 50k share			
Basic (loss)/earnings per share (Kobo)	(1,016)	31	(3,374)
Net (liabilities)/assets per share (Kobo)	(347)	708	(149)
Stock exchange quotation 31 December (Naira per share)	19.00	11.90	60
Market capitalization at 31 December	35,685,837	22,350,603	60

MISSION STATEMENT

Cadbury Nigeria Plc is focused on nourishing and delighting our consumers with the right snacks. As a team, we are committed to our stakeholders and will do what is right for our environment.

Corporate information

Board of Directors

Mr. Adedotun Sulaiman, MFR	- Chairman
Mrs. Oyeyimika Adeboye	- Managing Director
Mr. Ogaga Ologe	- Finance Director
Mr. Sunil Parthasarathy (Indian)	- Non-Executive Director
Mrs. Ibukun Awosika	- Non-Executive Director
Mrs. Kofo Akinkugbe	- Non-Executive Director

Company Secretary/Chief Counsel

Mrs. Fola Akande
Cadbury Nigeria Plc
Lateef Jakande Road
Agidingbi, Ikeja
Lagos
Tel: +234-1-2717777

Registrar & Transfer Office

First Registrars and Investor Services Limited
2, Abebe Village
Iganmu, Lagos
Tel: +234 (1) 2799880
E-mail: info@firstregistrarsnigeria.com
www.firstregistrarsnigeria.com

Registered Office

Cadbury Nigeria Plc
RC4151
Lateef Jakande Road
Agidingbi, Ikeja
Lagos
Tel: +234-1-2717777
E-mail: cadburynigeria@mdlz.com
Website: www.cadburynigeria.com

Independent Auditor

PricewaterhouseCoopers
Chartered Accountants
Landmark Towers,
Plot 5B, Water Corporation Road,
Victoria Island,
Lagos.
Tel: +234 (1) 2711700
E-mail: ng_pwc.enquiry@pwc.com
Website: www.pwc.com/ng

Bankers

Access Bank Plc
Citibank Nigeria Limited
Citibank London
Fidelity Bank Plc
First Bank of Nigeria Limited
First City Monument Bank Limited
Globus Bank Ltd
Stanbic IBTC Bank Plc
Standard Chartered Bank Plc
Sterling Bank Plc
Union Bank Of Nigeria Plc
Zenith Bank Plc

Board of Directors and Company Secretary's Profile

Adedotun Sulaiman, MFR

Adedotun Sulaiman, MFR was appointed to the Board of Cadbury Nigeria Plc as a Non-Executive Director in August 2009. He was appointed Chairman of the Board with effect from 22nd July 2020.

Mr. Sulaiman, a renowned management and strategy consultant, has over 35 years of experience in transformational engagements in strategic plan development, organization design/review, human resource management, technology planning, and process re-engineering, in a career with Arthur Andersen & Co./Andersen Consulting/Accenture that spanned 32 years.

Mr. Sulaiman retired as Country Managing Director and Chairman of Accenture Nigeria in 2010, and has since then become an active corporate governance advocate and practitioner. He sat or sits on and/or chaired or chairs the board of several companies and not-for-profit organisations including ABSA Nigeria (formerly Barclays), SecureID Limited, Interswitch Limited, Cornerstone Insurance Plc, Arian Capital Management Limited, New Horizons Systems Solutions Limited, Parthian Partners Limited, Sundry Foods Limited, Beyond Credit Limited, Descasio Nigeria Limited, Advantage Health Africa Limited, Super Network Limited, the African Venture Philanthropy Alliance (AVPA), The Corona Schools Trust, Greensprings Schools, the Lagos Angel Network (LAN) and University of Lagos Advancement Board.

Mr. Sulaiman was the Chairman of the Financial Reporting Council of Nigeria (FRCN) from January 2017 to January 2021.

Oyeyimika Adeboye

Oyeyimika Adeboye joined the Board of Cadbury Nigeria Plc. as Finance and Strategy Director in November 2008. She was appointed as Managing Director of Cadbury Nigeria Plc on 1 April 2019 and Cluster Director of Mondelēz International West Africa on 1 July 2019. Mrs. Adeboye is the chairman of the Board of Cadbury Ghana Limited.

Prior to joining the Mondelēz International group, Mrs. Adeboye was the Chief Financial Officer and Director of Finance at Nigerian Bottling Company Plc (NBC).

Mrs. Adeboye worked for the Nigeria Practice of the erstwhile accounting firm of Arthur Andersen & Co, and the London Practice of Midgley Snelling & Co, Chartered Accountants, where she also trained as an articled clerk after graduating with a Bachelor of Science Degree in Economics and Social Studies from University College Cardiff, Wales.

Mrs. Adeboye is a Fellow of the Institute of Chartered Accountants in England and Wales and a Member of the Institute of Chartered Accountants in Nigeria.

Mrs. Adeboye is a member of the Board of Odutola Holdings Limited, a family owned group of companies. She is also a member of the Board of Trustees of the Timothy Adeola Odutola Foundation, a family-owned philanthropic foundation set up for the purpose of providing educational, industrial and technological development of Nigerian youths who may be unable to gain access to tertiary education.

As part of her philanthropic work, Mrs Adeboye is a member of the Board of Trustees YEO Foundation which provides various initiatives to empower less privileged women. She also contributes her time to partner with Handmaidens WiLS, a Christian NGO, which seeks to mentor and empower professional women along an ethical career path.

Ogaga Ologe

Ogaga Ologe is currently the Finance Director of Cadbury Nigeria Plc and a Director and on the Board of Cadbury Ghana Limited. Ogaga joined Cadbury Nigeria Plc in 2012 and was appointed an Executive Director of the Company April 2019.

Prior to joining Cadbury, Mr. Ologe worked as Manager, Audit and Advisory Division, KPMG Professional Services, a global international accounting and business advisory professional service organisation. While with KPMG, Ogaga led the audit of the financial statements for many multinationals across a range of sectors including manufacturing, telecoms, and logistics.

He holds a Bachelor of Science honours degree in Physics from Delta State University, Abraka and is a member of the Institute of Chartered Accountants of Nigeria (ICAN) and the Institute of Directors (IoD).

Board of Directors and Company Secretary's Profile (Continued)

Kofo Akinkugbe

Kofo Akinkugbe was appointed to the Board of Cadbury Nigeria Plc, as a Non-Executive Director, effective 1st January 2021. Mrs. Akinkugbe is the founder of SecureID Nigeria and Secure Card Manufacturing where she currently serves as the Managing Director/CEO.

A prize-winning graduate of Mathematics from the University of Lagos and Chevening scholar at the University of Strathclyde Graduate School of Business, Glasgow, UK, Mrs. Akinkugbe has attended several international Leadership and personal development programmes at leading global institutions including London Business School, INSEAD France, Lagos Business School (Chief Executive Program-CEP) and Harvard Business School (Owner/President Management - OPM) course.

Mrs. Akinkugbe's initial work experience spanned the banking and financial services sector where she had stints at International Merchant Bank (IMB) - affiliate of First National Bank of Chicago and Chartered Bank PLC - now Stanbic IBTC Bank PLC.

In fulfilment of her dream of becoming an entrepreneur, she founded Interface Technologies Limited in 1997, a company involved in Security Management and Biometrics Systems. In 2005, and in further actualisation of her vision to move beyond basic technology into the evolving world of digital payments, she founded SecureID Nigeria a company involved in cards, as platforms for non-cash payments and other transactions.

In 2012, Mrs. Akinkugbe founded Secure Card Manufacturing in further realisation of her personal vision of real sector entrepreneurship and commitment to manufacturing as a means of backward integration for value addition and employment generation in the Nigerian economy. She has since taken both companies through several strategic partnerships into the international market, attaining the most pre-requisite global certifications.

Mrs. Akinkugbe currently serves as a member of both the Nigerian Industrial Policy and Competitiveness Advisory Council, and the Regulators' Forum (a part of the Fintech Association of Nigeria).

Having spent her entire working life building a successful professional career in banking and then transitioning into a second career as an entrepreneur in manufacturing in the technology space, Mrs. Akinkugbe's current focus is on giving back to society. Her areas of interest are in digital solutions, manufacturing, women and girls' empowerment, local content development and talent management and human capital development for leadership. She is pursuing this through frequent speaking engagements with corporate, philanthropic and humanitarian organisations.

Mrs. Akinkugbe sits on the board of several local and multinational corporate, philanthropic and humanitarian organisations, alongside her role as wife and mother of two great young women.

Ibukun Awosika

Ibukun Awosika is an African entrepreneur, author, international leader, and global culture shaper. She is the Chairman and CEO of The Chair Centre Group, a leading furniture and security systems provider in Nigeria. With an undergraduate degree in Chemistry from University of Ife and advanced degrees from various global institutions, including Lagos Business School, IESE Business School, Wharton and China European International Business School (CEIBS), Ibukun is both a student and leader of the world.

She serves as Chairman or board member on various corporate and non-profit boards around the world, cutting across education (IESE Business School, Imperial Gate Schools, Pan Atlantic University), energy (d-Light Inc.), IT (Digital Jewels Limited), manufacturing (Cadbury Nigeria Plc), retail (House of Tara International), financial services (Alitheia IDF Fund LP, Nigeria Advisory Board for Impact Investing), corporate governance (Convention on Business Integrity), advocacy (Women in Management, Business and Public Service), to mention a few. In addition to her work leading businesses, Ibukun Awosika is also committed to serving nations. She was recently appointed to the UK G7 impact Taskforce. She is a member of the Nigerian Economic Summit Group and served on the pioneer board of the Nigerian Sovereign Wealth Fund.

Over the years, she has received numerous awards locally and internationally. Her most recent recognitions are the 2020 Forbes Woman Africa Chairperson Award and the Beta Gamma Sigma 2020 Business Achievement Award. She is a fellow of the African Leadership Initiative and Aspen Global Leadership Network. She is also a recipient of three honorary Doctorate degrees.

Board of Directors and Company Secretary's Profile (Continued)

Ibukun Awosika (cont'd)

Ibukun has spoken at numerous world conferences and platforms, including the Global Leadership Summit, where she shares her knowledge on several economic, leadership and faith-based topics. She is the founder of the Christian Missionary Fund, a faith-based organization that works with hundreds of missionaries spread across Nigeria to change lives through the provision of medical, educational, and general relief.

Ibukun Awosika is a woman of many firsts; she is the first female chairperson of Nigeria's premier bank, First Bank, the first Nigerian recipient of the prestigious International Women Entrepreneurial Challenge (IWEC) Award and the first African recipient of the International Friendship Award 2019 by the Queen of Spain.

As part of her commitment to investing in the next generation of business leaders, she started the 360 Executive Coaching series and The Life Series with Ibukun Awosika, which have directly impacted over 10,000 men and women and countless more across the world to date. She founded the Afterschool Graduate Development Centre, a career centre established to checkmate the high rate of unemployment in Nigeria. She is also a judge on Jack Ma's Africa's Business Heroes program for African entrepreneurs.

Ibukun has multiple expressions beyond the boardroom. She is a seasoned author and shapes culture through her active involvement in media and purposeful entertainment. She featured in the highly rated Netflix Original blockbuster movie, Citation, and was the Executive Producer of God Calling, another exceptional movie which was released on Netflix in 2020.

She is happily married to Abiodun Awosika and they are blessed with three wonderful sons.

Sunil Parthasarathy

Sunil Parthasarathy was appointed to the Board of Cadbury Nigeria Plc as a Non-Executive Director effective 14th March 2018. Mr. Parthasarathy, has over 20 years' experience in Finance, he is currently the Finance Director for Mondelez Sub Saharan Africa.

Mr. Parthasarathy joined Cadbury Schweppes Plc in 2006 and has held a succession of senior finance roles in the Mondelez Group including Director of Accounting and External Reporting for Mondelez Asia Middle East and Africa (AMEA), Associate Director, Accounting and External Reporting, India, Supply Chain Finance Controller, Cadbury Schweppes Australia and New Zealand, and Financial Planning and Analysis Manager, Cadbury Schweppes Asia Pacific.

Prior to joining Cadbury Schweppes, Mr. Parthasarathy spent six years in a variety of Finance roles with Procter and Gamble Asia. Mr. Parthasarathy is an Associate of the Institute of Chartered Accountants of India.

Fola Akande

Fola Akande joined Cadbury Nigeria Plc. as Company Secretary/Chief Counsel West Africa in July 2012. Mrs. Akande is also a director on the Board of Cadbury Ghana Limited.

Mrs. Akande comes into the role with an impressive background in Compliance, Corporate Governance, Commercial and Finance Law. Mrs. Akande has an LLB. hons from the School of Oriental & African Studies (SOAS), University of London and an L.L.M from the University of Lagos.

She has over 30 years of working experience and prior to joining Cadbury, she worked for Standard Chartered Bank Nigeria Limited as Company Secretary/Legal Adviser/Chief Compliance Officer.

Mrs. Akande is a special member (MCIArb) of the Chartered Institute of Arbitrators UK, a Council Member of The NBA till 26 August 2022, Section on Business Law (SBL) Accredited Member of Institute of Chartered Secretaries And Administrators of Nigeria (ICSAN), a member of the International Compliance Association (ICA) Global Practitioner Advisory Board and sits on the Governing Board of The Eye Bank for Restoring Sight Nigeria a Non-Governmental Organisation (NGO) set up for the purpose of creating awareness on Cornea donation and clinically restoring sight to individuals who have suffered "reversible" blindness as a result of damage of the Cornea. She also contributes some of her time in youth, women & girls empowerment and serves as a Mentor with (WISCAR) Women In Successful Careers, a Non-Governmental organization, set up to assist professional career women achieve their full potential.

Mrs. Akande was recently recognized as one of the leading General Counsels in Nigeria by her inclusion on the GC Powerlist Nigeria 2024 by legal500.com

Directors' report

For the year ended 31 December 2023

The Directors are pleased to present to the members, their Annual Report together with the audited financial statements for the year ended 31 December 2023.

Directors' responsibilities in relation to the financial statements

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020 and the Financial Reporting Council of Nigeria Act, 2023.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act of Nigeria 2020 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern for at least twelve months from the date of this statement.

Principal activities

Cadbury Nigeria Plc was incorporated in Nigeria on 9 January 1965 as a company limited by shares. It became a publicly listed Company with its shares traded locally on the Nigerian Stock Exchange in 1976. The Company's registered address is Lateef Jakande Road, Ikeja and is principally engaged in the manufacture and sale of branded fast moving consumer goods mostly to the Nigerian market, but also for exports in West Africa. The Company also produces a wide range of intermediate products such as cocoa butter, liquor, cake and powder. The cocoa butter, cake and liquor are exported to a wide range of international customers.

The Product range

The Company's brands fall into three principal categories, namely Cocoa Beverages, Gum and Candy and Intermediate Cocoa Products. CADBURY BOURNVITA, CADBURY 3-in-1 HOT CHOCOLATE, are the main brands in the Cocoa beverage category, while TOMTOM CLASSIC, CANDY CARAMEL, CANDY COFFEE, BUTTERMINT AND CLORETS are the main brands in the Gum and Candy stable. COCOA POWDER, COCOA CAKE AND COCOA BUTTER are the main products for the Intermediate Cocoa Products.

The Cocoa Processing factory in Ondo State produces a range of intermediate products such as cocoa butter, liquor and powder. The cocoa butter and liquor are exported to a wide range of international customers while the cocoa powder is majorly consumed locally. The entire cocoa powder required for production at the Ikeja Plant is sourced from the Cocoa Processing factory.

Shareholding

Cadbury Nigeria Plc is owned 74.97% (2022: 74.97%) by Cadbury Schweppes Overseas Limited ("CSOL"), incorporated in the United Kingdom while CSOL is owned by Mondelez International. 25.03% (2022: 25.03%) is owned by a highly diversified spread of individual and institutional shareholders. Other than CSOL, no other shareholder held more than 5% of the issued share capital of the Company as at 31 December 2023 (2022: Nil).

Directors' report (Continued)

For the year ended 31 December 2023

The Registrars have advised that the range of shareholding as at 31 December 2023 was as follows:

CADBURY NIGERIA PLC

Range	No. of Shareholders	Holder's %	Unit	% Unit
1 - 1000	42,382	58.37	14,033,024	0.75
1001 - 5000	20,146	27.75	47,361,940	2.52
5001 - 10000	5,458	7.52	38,837,492	2.07
10001 - 50000	3,711	5.11	73,621,454	3.92
50001 - 100000	473	0.64	34,147,449	1.82
100001 - 500000	361	0.50	70,450,463	3.75
500001 - 1000000	37	0.05	27,429,434	1.46
1000001 - 5000000	30	0.04	64,664,084	3.44
5000001 - 10000000	3	0.00	22,373,150	1.19
10000001 - 50000000	1	0.00	20,140,000	1.07
50000001 - 100000000	1	0.00	57,011,819	3.04
100000001 - 1878202062	1	0.00	1,408,131,653	74.97
	<u>72,604</u>	<u>99.99</u>	<u>1,878,201,962</u>	<u>100</u>

Operating results

The following is a summary of the Company's operating results as at 31 December 2023:

In thousands of naira

	2023	2022
Revenue	80,378,955	55,212,617
Result from operating activities	7,872,189	194,063
(Loss)/profit before tax	(28,157,034)	1,298,410
Income tax credit/(expense)	9,067,330	(715,299)
(Loss)/profit for the year	<u>(19,089,704)</u>	<u>583,111</u>

Dividend

The Directors do not recommend dividend for the current year (2022: ₦751,280,784.80). Dividend for the year ended 31 December 2022 was paid during the year ended 31 December 2023.

Board of Directors

The Board during the course of the year was made up of six (6) Directors, two (2) of whom are Executive Directors (the Managing Director and Finance Director) and four (4) are Non-Executive Directors (including the Chairman). In line with global best practice, the position of the Chairman is distinct from that of the Managing Director. The Board has a formal schedule of meetings each year and met six (6) times during the year under review. Typically, Board meetings include consideration of a broad range of matters, including but not limited to financial performance, risk management assessment, corporate governance, compliance and internal control, and matters relating to the oversight and management of the business. In line with its responsibilities for the performance and affairs of the Company, the Board also holds an annual Strategy session to consider the strategic goals of the business and ensure that the Company's human and financial resources are effectively deployed towards attaining those goals.

Directors' report (Continued)

For the year ended 31 December 2023

Record of Directors' attendance at meetings

Pursuant to and in accordance with section 284 (2) of Companies and Allied Matters Act (CAMA), the record of Directors' attendance at Board meetings during the year under review will be made available for inspection at the Annual General Meeting (AGM).

The table below shows the number of meetings attended by the Directors during the period 1 January 2023 to 31 December 2023 as against the number of meetings held during their Board/Committee membership.

Name of Directors	Board Meetings	Governance & Risk Committee	Remuneration & Compensation Committee	Board Strategy Session
Adedotun Sulaiman, MFR	5/5	N/A	N/A	1/1
Oyeyimika Adeboye	5/5	N/A	N/A	1/1
Ogaga Ologe	5/5	N/A	N/A	1/1
Ibukun Awosika	4/5	0/0	2/2	1/1
Sunil Parthasarathy	4/5	N/A	N/A	1/1
Kofo Akinkugbe	5/5	N/A	2/2	1/1

Dates of Board meetings held in 2023: 24th January 2023, 24th March 2023, 25th July 2023, 24th October 2023 and 27th December 2023.

Date of Board Strategy Session held in 2023: 24th October 2023.

Dates of Governance & Risk Committee (GRC) meetings held in 2023: There were no GRC meetings held in 2023.

Dates of Remuneration & Compensation Committee (REMCO) meetings held in 2023: 24th March 2023 and 23rd October 2023.

Date of Annual General meeting held in 2023: 26th June 2023.

Directors retiring by rotation

The Directors to retire by rotation at the AGM in conformity with the Articles of Association of the Company and section 285(2) of CAMA and who, being eligible, have offered themselves for re-election at the meeting are: Mrs. Kofo Akinkugbe and Mrs. Ibukun Awosika.

Interests of Directors

The interests of Directors in the issued share capital of the Company as recorded in the Register of Members and/or notified by them for the purpose of Section 301 (1) of CAMA and in compliance with the listing requirements of The Nigerian Exchange Group are as follows:

Name of Directors	Indirect holdings as at 31/12/2023	Direct holdings as at 31/12/2023	Indirect holdings as at 31/12/2022	Direct holdings as at 31/12/2022
Adedotun Sulaiman, MFR	Nil	594,000	Nil	594,000
Oyeyimika Adeboye	Nil	54,000	Nil	54,000
Ogaga Ologe	Nil	Nil	Nil	Nil
Ibukun Awosika	Nil	Nil	Nil	Nil
Sunil Parthasarathy	Nil	Nil	Nil	Nil
Kofo Akinkugbe	Nil	Nil	Nil	Nil

Directors' report (Continued)

For the year ended 31 December 2023

Directors' interest in contracts

No Director has declared any interest in contracts with which the Company was involved as at 31 December 2023 (2022: Nil).

Distributors

The Company's products are distributed nationally through an extensive network of 63 distributors, key accounts and institutional customers and the products reach their ultimate consumers through a chain of wholesalers and retailers across the nation. The names of the distributors are listed in the appendix to the Annual Report.

Employment and employees

a. Our people

Our people are the most important and valuable assets, and this is emphasized in our day-to-day activities and interactions. The superior performance and achievement of our strategic objectives which has been the basis of our outstanding growth is an outcome of consistent individual and collective commitment of our workforce. Our engaged, diversified, resilient and cross-functional exceptional talents in Cadbury Nigeria Plc are spread through our Executive Leadership team, Management level and non-Management cadre.

To enable our talents deliver on current challenges and position our business for the future, our best-in-class people policies are designed to ensure that the knowledge and skills of staff are optimized maximally, and we consistently endeavor to align our policies, processes, and practices to the absolute best international standards in employment practices. In this same vein, we continue to receive support from the Mondelez International Group to ensure that our employees are empowered to achieve their best, both for the Company and for themselves. In the year under review, our engagements activities and initiatives maximally delivered returns and added extra impetus to our performance-driven and values-led culture, despite the harsh challenging global and national economic realities.

b. Talent Acquisition & Recruitment

Cadbury Nigeria Plc Talent Acquisition strategy is centered on hiring the right talent, at the right time, with the right capabilities and cultural fit. Our aim for individuals who make it with us, is to help "Make their careers with Pride"; "Make it Uniquely theirs"; "Make it a Better World"; and to help "Make it Happen"! To ensure that we have the talent needed to deliver our business outcomes, we leverage talent acquisition strategies that support our grow (build), buy and borrow talent philosophies. Our inhouse Talent Acquisition capabilities, enabling tools and technology to stay on top of trends in hiring – has sustained the zero budget and spend for external hiring agencies year on year. We are passionate about growth and hence create an enabling environment that supports our people's growth with a big target for our Internal Sufficiency/Fill Rate.

We appreciate the importance of Employer Branding, and our four (4) pillars (Love Brands, Courageous Challenges, Global Impact and True Colors) of the Employer Value Proposition – has continued to make us top of mind for all prospective candidates strengthening our talent pool and pipelines for critical and strategic roles. To achieve this, we maximize online recruitment portal, social media and periodic connect with students & recent graduates of tertiary institutions. In the year under review, we hosted students of the Department of Industrial Relations & Personnel Management, Lagos State University at our Ikeja plant where our team engaged them in an Experience Sharing Session. The students also had sessions with our leaders who shared their career journey and valuable nuggets. We actively participated at the University of Ibadan and Lagos Business School career workshops for recent graduates of the institutions.

We also offer youths opportunity to gain experience through our various internship, volunteering and Students Industrial Work Experience Scheme (SIWES) training program.

c. Equal opportunity statement

The Company as an equal opportunity employer is committed to providing level playing ground to all individuals within its business in all areas of employment. In support of this, policies, procedures and practices focus on capability, capacity and contribution and do not differentiate on any basis beyond merit and performance. We continued to sustain our drive for gender diversity, inclusion and equality in the employee life cycle of all.

Directors' report (Continued)

For the year ended 31 December 2023

d. Employment of Physically Challenged Persons

In line with Cadbury Nigeria Plc's policy to promote diversity and offer everyone equal opportunities for employment, we provide employment opportunities to physically challenged persons, bearing in mind the respective aptitude and abilities of the applicants concerned.

If a member of staff becomes physically challenged whilst in the employment of the Company, every effort is made to ensure that their employment with the Company continues, and that appropriate training and support is given to them. It is the Company's policy that, as far as possible, all employees are treated alike in the areas of training, career development and promotion. The Company had two(2) physically challenged persons in its employment as at 31 December 2023 (2022: One(1)).

e. Learning and Development

At Cadbury Nigeria Plc, Learning, Development and Career is very strategic and foundational. One of our values is "Grow Every Day." This is because we place a lot of value to growth, development, and continuous improvement. We provide easy access to varied opportunities to gain experience and grow, leveraging technology - and encourage learning communities who learn from each other through a learning principle of Learn-Do-Teach. We recognize that learning happens every day; not just on training programs and hence we have shaped our learning & development offerings such that employees value career experiences (shaping experiences and functional experiences) and on-the-job learning.

We deliver world-class learnings virtually because we believe as adults, we have taken responsibility of their development, they should be ready to learn on the go. We have a wide variety of learning offerings from on-the-job trainings to classroom trainings in our Learning and Development (L&D) center, hands-on demonstration in our Technical Training Center (TTC) to self-directed, self-paced learning on our virtual university – Mondelez International University (MIU) to learning offerings on-the-go through partnership with Coursera, Tigerall, Josh Bersin Academy etc. We develop the right functional, technical skills, knowledge, exposures to deliver best-in-class expertise at all levels in every function.

A career is unique to each employee who together with their line manager can explore many ways to grow. The line manager plays a vital role to provide ongoing, timely and relevant feedback and coaching, helping to unlock different development experiences, while the employee takes responsibility for their development and growth by seeking and maximizing stretch opportunities. We have over the years equipped our line managers with exceptional people management skills with increased focus and much more in 2023. Career development is a shared commitment; at Cadbury Nigeria Plc we Make People Development a Priority – so we need to capture key development actions and follow through to ensure progress and impact. Our philosophy of there are many ways to grow is anchored on unlocking the appropriate career experiences to accelerate development, and grow our people's career, providing enriching career experiences for all.

With our continuous improvement mindset, we delivered a highly engaging and impactful "Growing Here Weeks" for the year 2023 where we had various sessions facilitated by our senior leaders and external subject matter experts.

We encourage our employees to own their development, be flexible, challenge self, collect a rich blend of experiences and history of impact in the various roles all which are critical to propel their career growth.

f. Employee/Industrial Relations

At Cadbury Nigeria Plc, we believe strongly in free association and are passionate about the well-being and welfare of our people. Hence, we support the unions both at the Enterprise/Branch and well as in the Industry/National levels. The unions for us are the National Union of Food Beverage and Tobacco Employees (NUFBTE) and the Food Beverage and Tobacco Senior Staff Association (FOBTOB) who we acknowledge and celebrate as our Social Partners. As an organization, we play our part in the Association of Food Beverage and Tobacco Employers (AFBTE) and Nigeria Employers Consultative Association (NECA).

Our Employee & Industrial Relations Philosophy stems from our commitment to People as demonstrated in our commitment to "Treat People with Care and Integrity" under our Value of "Do What's Right." All through the year under review we maintained a calm, peaceful and partnering environment.

Directors' report (Continued)

For the year ended 31 December 2023

g. Employee Wellness

We continued to improve our Employee Wellness Initiative – The Right You and focus on employees maximizing the Employee Assistance Program. At the beginning of the year, all colleagues were encouraged and got involved in The Right You Pledge making commitment to their personal and family wellbeing. A mobile app “The Right You” became available on play store as well as IOS store so that resources for wellbeing and wellness are available on the go for all employees especially employees on the production floor, the core team.

The online fitness group and the onsite Gym continued to support colleagues in various keep-fit initiatives and programs. We continued to participate in the World Health Organization Observance days all through the year with Health Care Updates communicated to all employees via all our communication channels.

As part of our continuous improvement mindset, we extended the wellbeing month from once in May to twice in May & November. As part of activities of the weeklong we held daily webinar session on topics such as Mindful Eating, preventing common workplace injuries, screen time and your eyes; We also had aerobics session and a painting session to aid mindfulness and relaxation. We hosted quarterly financial forum under the Right Mind Pillar, facilitated by leading financial institutions.

h. Employee Involvement and Engagement

The Company's sustained and continuous improving success in achieving its objectives is the contributions of employees throughout its operations. Through our various engagement platforms, we deliberately garner employee's involvement, and all our employees actively participate in the Company's affairs on a regular basis irrespective of wherever they work. Several formal channels and consultative committees exist for participation in the Company's affairs. As part of the Company's commitment to transparent communication with its employees in line with our communication matrix, quarterly Town Hall meetings, Breakfast meetings with the Managing Director and connect Snacking sessions with leaders, are platforms provided for our employees to communicate through face-to-face and virtually with the Company's Executive Management team and directly obtain clarifications and/or rationales behind the Company's performance, activities, and strategic plans. To accelerate employee involvement and ownership of innovative ideas, we continue to leverage our “Ignite” program which was launched encourage all our employees to imbibe innovation to improve on extant processes and procedures.

At our Company engagement is the degree to which ‘we’ as employees invest our cognitive, emotional, and behavioral energies toward positive organizational outcomes, as we continue to grow every day. Through the various engagement initiatives, we empower our colleagues to make it matter to the Company and continuously feel proud to be a part of our company. The Company is committed to ensuring that our employees remain happy, positive, and engaged. As a company, we have defined engagement to fit into our business Strategy, Purpose, Mission, Vision, and Values. We also empower the people managers and leaders with tools, playbooks, insights, and actions to improve their teams' engagement. In the 2023, we entrenched our Flexi Work Policy launched the prior year to address the impact of harsh economic realities and provide support to our employees balance their work and life roles better.

We continued to listen to our employees through the Annual “Make it Matter” Engagement Survey completed in October and to keep engagement top of mind, we still executed the mid engagement pulse survey in May 2023.

We actively listen to our employees and the Annual “Make it Matter” Engagement Survey completed in October helped to keep engagement top of mind.

At Cadbury Nigeria, annually we celebrate International Women's Day (IWD), and we take immense pride in observing this important event where we emphasize the importance of equal opportunities and fair treatment for all. In line with the 2023 IWD theme #EmbraceEquity, there was a month-long focus on Diversity, Equity, and Inclusion across the organization.

Some of the major highlights of the celebrations included Women's peer-to-peer recognition, a Panel Session titled “Leading with Impact” which included some of our Executive and Non-Executive Directors and external speakers; Embrace Women Conference with Mr. Steve Oboh, a phenomenal two-hour “Snacks with a Leader” session with Mrs. Tara Fela-Durotoye, who shared the 4 Es of personal and career branding—Expertise, Excellence, Exposure and Experience; and finally as it is our tradition there was a book titled: “Finding Me” by Viola Davis, which was gifted to all our female colleagues in the Company.

Directors' report (Continued)

For the year ended 31 December 2023

h. Employee Involvement and Engagement (continued)

Since 2021 as part of our DE&I agenda we signed on to Nigeria2Equal Programme run in partnership with International Finance Corporation (IFC) and the Nigerian Stock Exchange (NGX). Towards the end of the two-year program, a progress audit was conducted amongst all participating companies, and we received three (3) awards.

- Company Board Gender Diversity Award - which spotlights organizations that have achieved a gender balanced board of directors of up to 40 to 60 percent on their management boards.
- Family-Friendly Workplace Excellence Award - spotlights organizations that have implemented best-in-class policies, especially in the areas of parental leave and paid childcare programs; and
- Gender Diversity in Supply Chains Award - spotlights the exceptional achievement of organizations that demonstrated an unwavering commitment to gender diversity in their supply chain.

We continued all our commitments in the 2 year "Nigeria2Equal program" of the Nigeria Stock Exchange and International Finance Corporation (NGX/IFC) with huge commendation from them.

Our DE&I Agenda is not only towards the female gender. This year we celebrated International Mens day across all our locations. We had a very engaging session in line with global theme "Zero Male Suicide" facilitated by renowned medical experts as well as fun, games, and team-bonding session for our men.

We continued to engage with ex-employees under the umbrella of the Cadbury Alumni Network, demonstrating to our employees that they remain relevant to us even after leaving the business.

i. Rewards & Recognition

The Company remains committed to providing world-class rewards for delivering exceptional performance and recognizing the right behaviours to ensure we deliver growth through its innovative rewards and recognition framework. The Company held its 2023 Long Service Awards tagged "Celebration of Devotion" where a total of forty (40) employees were celebrated for serving the Company devotedly for ten, twenty and thirty years respectively in a fun way which was adjudged to be the best in recent times. This was alongside our existing rewards & recognition framework such as our Manager's Award, Values in Action Awards, Managing Director's Awards, Bravos, Excellence awards, amongst others.

The Company continued to receive notable recognition for her excellent and impactful people processes and initiatives from external partners. We retained and improved in our ratings as a Top Employer in Nigeria and Africa for 2023 from the Top Employer Institute, we received the Blue Seal – Africa (region) for the second time and Red Seal – Nigeria (country) for the third consecutive year.

We were also recognized again with several awards from the HR People's Magazine in 2023. These awards were: Employer of Choice (under 1000 employees) 2023, Best Training, Learning & Development, Outstanding HR Communication Strategy and HR Leader of Year 2023 Award to our Human Resources Director, Mr. Wole Odubayo for strategic HR management in their respective organizations.

Finally, from the Chartered Institute of Personnel Management (CIPM) during her 2023 Annual Conference Gala and HR OSCARS (HR Optimization and Best Practice) Awards which held later in the year we received five awards: Strategic HR Initiative, Talent Acquisition Initiative, Employee Service and Administration Initiative, Diversity and Inclusion Initiative, and HR Policy Development and Implementation Awards.

Directors' report (Continued)

For the year ended 31 December 2023

Cadbury Nigeria Plc in the community

Staff of Cadbury Nigeria Plc carried out volunteering activities in 2023 in line with our corporate social responsibility (CSR) policy. In June, some members of staff from the Health, Safety and Environment (HSE) team, joined by officials of the Food and Beverage Recycling Alliance (FBRA), set aside time to clean up the environment around the piped water that we donated to our Agidingbi host community, as part of World Environment Day.

In addition, the Mondelez Supply Chain (MSC) team in Ikeja visited Agidingbi Primary School within our host community, to hold career and mentoring sessions with the pupils. We also donated branded company items, safety, and hygiene materials to the school.

In the same vein, the Customer Service and Logistics (CS & L) team paid a visit to the Old People's Home in Yaba, Lagos, where We donated various company products, toiletries, and food items.

In compliance with section 43 (2) of CAMA, the Company did not make any donation or gift to any political party, political association or for any political purpose in 2023.

Know-How and trademark license agreements

The Company has Know-How/Management Services and Trademark License Agreements with Mondelez International AMEA PTE. LTD. Under the agreements, Cadbury Nigeria Plc receives technical, scientific and commercial support for its products and its operations.

Property plant and equipment

Information relating to changes in property, plant and equipment is given in Note 13 to the financial statements.

Sustainability Report:

Sustainability:

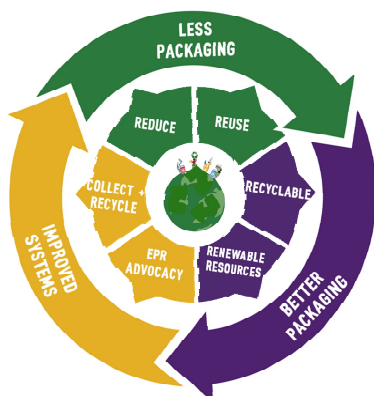
Mondelez International is committed to doing what is right for our plant and meeting aspirations of our consumers. We aim to make an end to end positive impact on the world and the communities where we do business. This is core to who we are as a Company

Approach to integrating Sustainability

Our foundation is based on four(4) core principles.

- Increasing the sustainable sourcing of ingredients used to make our much loved brands.
- Enhancing the efficient and sustainable use of resources along the supply chain.
- Continuous improvement of our environmental performance driving measurable results.
- Meeting or exceeding the requirement of applicable standards.

MDLZ sustainability strategy: - achieving zero packaging waste + circular pack economy



BETTER PACKAGING:

Will:

Help to create a circular economy by making our packaging:

Recyclable, removing problematic materials & increasing use of recycled content

Directors' report (Continued)

For the year ended 31 December 2023

LESS PACKAGING:

Will:

Keep our packaging light, safe & environmental impact low, reduce overall footprint and design for consumer reuse where feasible.

IMPROVED SYSTEMS:

Will:

Collect as much plastic as we put into the environment
Lead development of capabilities to scale infrastructure solutions
Advocate for EPR schemes to include plastic packaging esp. flexibles

Sustainability programs

Co2 Emissions

We cut Co2 emissions by using low-carbon energy sources (Natural gas). We have also partnered with power plants provider who mastery on energy efficiency in order to drive conformance to our set objective. Our forecasted target is to drive reduction by 23% versus what the reduction was in 2018.

Saving Water

Based on a comprehensive risk assessment, we set target for our water reductions in our operations. Our goal is to reduce absolute water use by 24% in areas where high consumption has been identified. This we achieved in the outgone year and we took a new target of 46% reduction by year end to further ensure depletion of natural resources is minimal within West African business space.

Packaging

We are focusing on investing in packaging technologies that optimise our design in order to meet customer needs. This typically reduces the direct material and supply chain environmental footprint and also enables environmental gains in the logistics and waste management phases of the value chain. We also analyse packaging design changes using our propriety Eco calculator which provides our teams information to guide their packaging choices and optimise their design choices to minimise environmental impact. Our target is to achieve 18% waste reduction by year end.



Directors' report (Continued)

For the year ended 31 December 2023

THE ZERO WASTE HIERARCHY

The zero waste hierarchy

Always consider the waste hierarchy when designing any of our packaging. Packs should be optimised first and then designed with the best materials/structure to facilitate recycle at the end of life and avoid waste to landfill or leakage to oceans.



Environmental footprint Goals

- Reduce absolute Co2 emissions from manufacturing by 23%.
- Reduce water use by 40% at priority locations where water is most scarce.
- Reduce total food waste in manufacturing by 18%.
- Eliminate 65,000 metric tonnes of packaging.

Directors' report (Continued)

For the year ended 31 December 2023



MONDELÉZ INTERNATIONAL IS JOINING THE RACE TO ZERO AND COMMITS TO 2050 NET ZERO EMISSIONS TARGET

**2030 SUSTAINABILITY STRATEGY
CLEAR 2030 GOALS ON THE PATH TO REACH BOLD 2050 AMBITION**



CREATING A FUTURE WHERE PEOPLE AND PLANET THRIVE



OUR AMBITION: **LEAD WHERE WE MATTER MOST**

DRIVE CHANGE WHERE THE WORLD NEEDS IT MOST

OUR FOCUS: **100% SUSTAINABLY SOURCED COCOA & WHEAT**

NET ZERO CARBON & PACKAGING WASTE

OUR DISTINCT APPROACH: **BY BUILDING RESILIENT LANDSCAPES & COMMUNITIES**

BY SUPPORTING CIRCULAR ECONOMIES



3 | MDLZ Sustainability Strategy - Privileged and Confidential

*to be validated after SBTi issues FLAG principles

Directors' report (Continued)

For the year ended 31 December 2023

Corporate Governance Report

The Company recognizes the importance of adhering to best corporate governance principles and practices and the valuable contribution made by such adherence to its long-term business profitability and accountability to its shareholders. A strong focus on corporate governance is at the forefront of the Company's operations and in line with the Code of Best Practices on Corporate Governance in Nigeria. Examples of the Company's compliance with these corporate governance requirements during the year under review are as follows:

i. Board of Directors – composition and independence

As at the date of this report, the Board has a total of six Directors, four of whom are Non-Executive Directors. The Company recognizes the importance of the role of the Non-Executive Directors, all of whom increase the diversity of experience as well as bring objectivity and independence of thought to Board deliberations and decision making.

The position of the Chairman is held by Mr. Adedotun Sulaiman MFR, a Non-Executive Director appointed with effect from 22 July 2020. This is separate and distinct from the position of Managing Director which is held by Mrs. Oyeyimika Adebayo. Mrs. Kofo Akinkugbe is an independent Non-Executive Director. The Board is in the process of filling the casual vacancies, nonetheless, the Board continues to run efficiently and effectively. No Director is on the Board of more than five public companies at the same time.

ii. Board – Training and access to advisers

The Company has a structured and robust induction Programme for new Directors in which the Company's business structure and operations are covered in depth and requisite information provided to assist new Directors in becoming knowledgeable about the Company and discharging their duties effectively. Directors participate in relevant continuing education programmes to update their knowledge and skills.

All the Directors have access to the advice and services of the Company Secretary and if required, to the advice and services of other professionals where such advice will improve the quality of their contribution to Board decision making.

iii. Board Governance & Appointments

The Governance & Risk Committee is responsible for identifying and evaluating names of Directors for recommendation to the Board. The Governance & Risk Committee will consider recommendation of candidates for the Board of Directors, using a robust criteria summarising, key qualifications, skills or attributes each of our directors possess that are most relevant to the decision to nominate him or her to serve on the Board of Directors of Cadbury. In its assessment of each potential Director nominee, The Governance & Risk Committee considers the nominees judgement, integrity, experience, independence, understanding of the Company's business and other related industries and such other factors, the committee determines are pertinent in light of the current needs of the Board. The Committee also takes into account the ability of a potential nominee to devote the time and effort necessary to fulfill his/her responsibilities to the company.

An annual Board Evaluation and Corporate Governance evaluation was conducted for the year under review which confirmed that the Board has in place a robust Corporate Governance system. The evaluation ascertained that the Board was fulfilling its purpose and recommended areas where change(s) were appropriate. The Board's governance processes and practices had also been evaluated, benchmarking them against local law and regulations, key corporate governance considerations; Stakeholders Engagement and Corporate citizenship; Board Structure & Composition; Board Operations & Effectiveness; Strategy Development & Implementation; Risk Management & Compliance; Performance measurement & Management and Transparency & Disclosure. The Board is satisfied that the existing Board has implemented the recommended practices and implemented the principles of Good Corporate Governance and presently in its present state comprises of the necessary quality and quantity of a high performing Board to help the Company achieve its short and long term strategies.

Directors' report (Continued)

For the year ended 31 December 2023

Corporate Governance Report (Continued)

iv. Committees of The Board

In conformity with the Code of Best Practice in Corporate Governance, the Company has in place the following Committees:

(a) Governance & Risk Committee

The Governance & Risk Committee is guided by its Terms of Reference and has the responsibility of establishing and reviewing recommendations, qualifications and mitigating any potential risks, conflict of interest and otherwise, regarding the appointment of any proposed Executive or Non-Executive Director. Thus ensuring that a review of Board candidates is undertaken in a disciplined and objective manner. The Committee is also tasked with reviewing existing governance procedures and practices in light of current domestic and global developments in Corporate Governance and oversee the enforcement of the company code of conduct and ethics and the non-financial elements of risk. The members of the Governance & Risk Committee during the year were Mrs. Ibukun Awosika (Chair), and Ms. Nadia Mohammed (resigned). As earlier stated, the Board is in the process of identifying credible and suitable candidates to fill the casual vacancies left on the Governance & Risk Committee. Nonetheless, the Board continued to have oversight- over the management of the company and ensured that Governance and Risk matters were effectively managed and addressed.

(b) Remuneration and Compensation Committee (REMCO)

The Remuneration & Compensation Committee is responsible for making recommendations to the Board on the remuneration of the Directors and senior executives of the Company, reviewing the ongoing appropriateness and relevance of the remuneration policy and ensuring that all provisions regarding disclosure for remuneration which apply to the Company are complied with. The committee is also guided by its Terms of Reference. The members of the Remuneration & Compensation Committee are Mrs. Ibukun Awosika (Chair), and Mrs. Kofo Akinkugbe thus satisfying the quorum. As earlier stated, the Board is in the process of identifying credible and suitable candidates to fill the casual vacancies left on the Board. Upon concluding this, additional and suitable members will be appointed on the REMCO.

(c) Executive Management committee

The Executive Management Committee comprises the functional directors who head the core business units of the Company. It meets on a bi-monthly basis and is responsible for setting overall corporate targets, reviewing the Company's performance and operational issues, and overseeing the affairs of the Company on a day-to-day basis.

As of 31 December 2023, the Executive Management Committee was comprised of the following members: Mrs. Oyeyimika Adeboye (Managing Director), Mr. Ogaga Ologe (Finance Director), Mr. Wole Odubayo (Human Resources Director), Mr. Akin Fajembimo (Director, Category Planning & Operation), Mr. RP Singh (Commercial Platform Director), Mr Motsamai Pule (Marketing Director) Mrs. Morolake Emokpaire (Marketing Director). Mr. Owen Akinwande (Manufacturing Director) and Mrs. Fola Akande (Company Secretary/Chief Counsel).

(d) Risk Assessment Committee

The Risk Assessment Committee comprises the functional directors and designated senior managers of the Company. It meets on a half yearly basis and its report is forwarded to the Board of Directors for further guidance. It is responsible for the oversight, review and management of the entire business risk of the Company and for proposing steps to mitigate the effects of such business risks. As at 31 December 2023, the Risk Assessment Committee was comprised of the following members: Mrs. Oyeyimika Adeboye (Managing Director), Mr. Ogaga Ologe(Finance Director), Mr. Wole Odubayo (Human Resources Director), Mr. Owen Akinwande (Manufacturing Director), Mrs. Fola Akande (Company Secretary/Chief Counsel), Mr. Rajendra P Singh (Commercial Platform Director), Mr. Motsamai Pule (Marketing Director, resigned 1 September 2023), Mrs. Morolake Emokpaire (Marketing Director appointed 1 September 2023). Mr. Akin Fajembimo (Director Category Planning & Operations), and Mr. Ken Nwokolo (Manager Internal Audit resigned January 2024) and selected cross-functional Heads of units.

Directors' report (Continued)

For the year ended 31 December 2023

Corporate Governance Report (Continued)

(e) Risk Management Framework

The Company has in place a risk management framework that defines the Company's risk policy, risk appetite and risk limits and identifies, assess, monitors and manages key business risks to safeguard shareholder investments and the Company's assets. The Business Risk profile is presented by Management and considered by the Governance & Risk Committee and recommended to The Board for approval.

Code of conduct

Being part of the Mondelez International Family of Companies, all employees subscribe to the Mondelez International Code of Conduct which describes the values that should guide all employees as they do business. The Company maintains a steady awareness of these values by continuous training and publicity of the contents of the Code to its employees throughout the course of the year. Strict adherence to the Code is mandatory in the Company's Day to day operations.

To further buttress the above, the Company has in place a confidential whistle blowing system, which enables staff, suppliers and distributors to raise concerns in relation to its operations, report unethical conduct in breach of its Code of Conduct, illegal acts or omission by employees. Such concerns can be communicated to the Company through www.mdlzethics.com or the dedicated speak up line.

Share trading policy

Cadbury Nigeria Plc. maintains and is compliant with a share trading policy that guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. Relevant persons are prohibited from dealing in the Company's shares both when they are in possession of material non-public information about the Company's activities as well as during prescribed "blackout" periods. Notification of individual share trading activity is required to be made to the appropriate regulatory bodies as well as the Company Secretary. The share trading policy is also available on the Company's website.

Complaints management policy

Cadbury Nigeria Plc maintains and is compliant with the Securities and Exchange Rule relating to the implementation of a Complaints Management Framework of the Nigerian Capital Market ("SEC Rules") and the Nigerian Stock Exchange Directive (NSE/LARD/LRD/CIR6/15/04/22) to all listed companies ("the NSE Directive"). This policy sets out the framework by which Cadbury Nigeria Plc, its Registrars and key stakeholders provide assistance regarding shareholder issues and concerns. It also provides the opportunity for Cadbury's shareholders to provide feedback to the Company on matters that affect shareholders. The overall objective of the policy is designed to ensure that complaints and enquiries from the Company's shareholders are managed in a fair, impartial, efficient, and timely manner.

Business Continuity Plan

Business continuity helps the organization maintain resiliency, in responding quickly to an interruption. Cadbury Nigeria Plc (CNP) continues to implement its Business Continuity Plan to ensure sustained business activities and prioritise the health and wellbeing of its employees in the Company.

This continuity plan includes but not limited to the following actions responses:

- Temperature checks at the entrances to all our locations of the Company.
- As a food manufacturer there is a mandatory requirement to use hand sanitizer before entering our factories.
- Provision of relevant safety materials to all essential employees working on site and on the field.
- Maintenance of continuous flow of relevant market information to all employees and stakeholders to make informed business, health, and safety decisions.

Directors' report (Continued)

For the year ended 31 December 2023

Business Continuity Plan (continued)

- Regular engagement with the Government to address market issues
- Other Market actions and activities undertaken by the Federal & Lagos State Governments to support Manufacturing companies, including advocacy and advisory with the Manufacturers Association of Nigeria (MAN) and Nigerian Employers Consultative Association (NECA).

The priority for us is to protect the health, safety and welfare of our employees, customers, consumers and partners, as well as collaborate and support the Government and its agencies.

Having a robust Business Continuity Plan, helps your company remain better positioned to recover from the business interruption, property damage, financial impact, and loss of life that a disruption may cause.

The Board and Management are focused on efforts to mitigate the overall impact of any disruption to our business.

Compliance with the Nigerian Code of Corporate Governance (NCCG 2018):

Companies were required to begin reporting the application of the NCCG in their financial reports ending on or before January 1 2020. Our company has commenced taking necessary steps to fully comply with the NCCG and submits the report of compliance to The Financial Reporting Council (FRCN), The Securities and Exchange Commission (SEC), The Nigerian Stock Exchange (NSE) Issuers Portal and included the same on the Company's website. The Company also ensured compliance with The Securities and Exchange Commission (SEC) Form O1 for reporting compliance on the SEC Corporate Governance Guidelines.

Audit Committee

In accordance with section 404(6) of CAMA 2004, members of the Audit Committee of the Company were elected at the last Annual General Meeting held on the 26th of June 2023. According to section 404(3) of the Companies and Allied Matters Act 2020, the Audit Committee shall now consist of 5 members, comprising of 3 members and 2 non -executive directors. This re-constitution was adopted at the Company's Annual General Meeting. The Audit Committee evaluates annually, the independence and performance of external auditor, receives the planning, interim and final audit presentation from the external auditor and reviews with management and the external auditor, the annual audited financial statements before its submission to the Board. Members that served on the Audit Committee comprise three representatives of the shareholders namely: Pastor Oyelakin Lanre Awobode, Mrs. Elizabeth Gbegbaje and Mrs. Mary Joke Shofolahan and two members of the Board of Directors: Mr. Sunil Parthasarathy and Mrs. Kofo Akinkugbe.

Independent Auditor

The firm of Messers PricewaterhouseCoopers served as independent Auditor during the year under review.

In accordance with Section 401(1) of the Companies and Allied Matters Act (CAMA), 2020, Messrs PricewaterhouseCoopers have indicated their willingness to continue in office as independent auditor to the Company.

BY ORDER OF THE BOARD

Fola Akande

Company Secretary

28 March 2024

FRC/2013/PRO/NBA/002/00000001060

Statement of Directors' Responsibilities

The Companies and Allied Matters Act requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibility include:

- a) ensuring that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act;
- b) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; and
- c) preparing the Company's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria 2020 and the Financial Reporting Council of Nigeria Act, 2023.

The Directors further accept responsibility for maintaining adequate accounting record as required by the Companies and Allied Matter of Nigeria and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

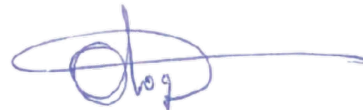
The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



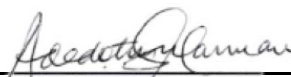
Oyeyimika Adeboye (Managing Director)

FRC/2013/PRO/DIR/003/00000001089



Ogaga Ologe (Finance Director)

FRC/2013/PRO/DIR/003/00000001091



Mr. Adedotun Sulaiman, MFR (Chairman)

FRC/2013/PRO/ICAN/002/00000002885

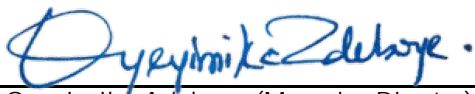
Certification of the Audited Financial Statements

For the year ended 31 December 2023

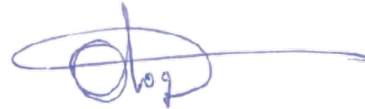
Pursuant to the provisions of section 405 of the Companies and Allied Matters Act, 2020 (CAMA), we, the Managing Director and Finance Director of Cadbury Nigeria Plc ("the Company") hereby certify as follows:

- a) We have reviewed the audited financial statements of the Company for the year ended 31 December 2023.
- b) The audited financial statements represent the true and correct financial position of our Company as at 31 December 2023.
- c) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.
- d) That the audited financial statements fairly presents, in all material respects, the financial condition and results of operations of the company as of and for the year ended 31 December 2023.
- e) That we are responsible for establishing and maintaining the Company's internal controls. We assessed the effectiveness of the Company's internal controls within 90 days prior to the date of its audited financial statements and based on our assessment, the controls are effective as at that date.
Any significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data have been disclosed to the Independent Auditor and the Audit Committee.
- f) We have disclosed to the Company's auditors and Audit Committee whether or not, there is any fraud that involves management or other employees who have a significant role in the Company's internal controls.
- g) We affirm that subsequent to our assessment, there are no significant changes in internal controls or in other factors that could significantly affect internal controls.

SIGNED:



Oyeyimika Adeboye (Managing Director)
FRC/2013/PRO/DIR/003/00000001089




Ogaga Ologe (Finance Director)
FRC/2013/PRO/DIR/003/00000001091

Report of the Audit Committee

In compliance with section 404 (7) of the Companies and Allied Matters Act of Nigeria, we have;

- (i) Reviewed and ascertained that the accounting and reporting policies adopted by the Company are in accordance with applicable legal requirements and agreed ethical practices.
- (ii) Reviewed the scope and planning of audit requirements and found them satisfactory.
- (iii) Appraised the Financial Statements for the year ended 31 December 2023 and are satisfied with the explanations provided.
- (iv) Reviewed the Company's systems of accounting and internal control and found them effective.
- (v) Reviewed the External Auditor's Management Report for the year ended 31 December 2023 and are satisfied that management is taking appropriate steps to address issues and comments noted in the report.

The Independent Auditors confirmed management's full cooperation in the course of the performance of their duties and that they were not limited in any way by the Company and its management.


Pastor Oyelakin Lanre Awobode
Chairman, Audit Committee
FRC/2013/PRO/ANAN/002/00000003618
27 March 2024

Members of the Audit Committee are:

- | | |
|---|------------------------------|
| 1) Pastor Oyelakin Lanre Awobode (Chairman) | Shareholders' Representative |
| 2) Mrs. Mary Joke Shofolahan | Shareholders' Representative |
| 3) Mrs. Elizabeth Gbegbaje | Shareholders' Representative |
| 4) Mrs. Kofo Akinkugbe | Directors' Representative |
| 5) Mr. Sunil Parthasarathy | Directors' Representative |

Attendance at the Committee's meetings for the year 2023 held respectively on 23rd January 2023, 24th March 2023, 25th July 2023 and 23rd October 2023 was as follows:

Names of Members	Audit Committee Meetings
Pastor Oyelakin Lanre Awobode (Chairman)	4/4
Mrs. Mary Joke Shofolahan	4/4
Mrs. Elizabeth Gbegbaje	4/4
Mr. Sunil Parthasarathy	4/4
Mrs. Kofo Akinkugbe	4/4

Management annual assessment of, and report on Cadbury Nigeria PLC internal control over financial reporting

In compliance with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of Cadbury Nigeria PLC for the year ended 31 December 2023:

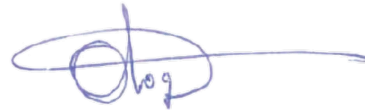
- (i) Cadbury Nigeria Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- (ii) Cadbury Nigeria Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR.
- (iii) Cadbury Nigeria Plc's management has assessed that the entity's ICFR as of the end of 31 December 2023 is effective.
- (iv) Cadbury Nigeria Plc's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of Cadbury Nigeria Plc's annual report.



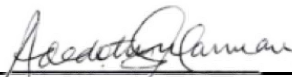
Oyeyimika Adeboye (Managing Director)

FRC/2013/PRO/DIR/003/00000001089



Ogaga Ologe (Finance Director)

FRC/2013/PRO/DIR/003/00000001091



Mr. Adedotun Suaiyman, MFR (Chairman)

FRC/2013/PRO/ICAN/002/00000002885

Certification of management's assessment on internal control over financial reporting

In compliance with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Cadbury Nigeria PLC for the year ended 31 December 2023:

I, Oyeyimika Adeboye certify that;

- (i) I have reviewed this management assessment on internal control over financial reporting of Cadbury Nigeria Plc;
- (ii) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (iii) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Company as of, and for, the periods presented in this report;
- (iv) Cadbury Nigeria Plc's Finance Director and I:
 - a are responsible for establishing and maintaining internal controls;
 - b have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us by others within the Company, particularly during the period in which this report is being prepared;
 - c have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - d have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- (v) The Finance Director and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the audit committee of the Company's board of directors.
 - a All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.
- (vi) The Company's Finance Director and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Oyeyimika Adeboye (Managing Director)

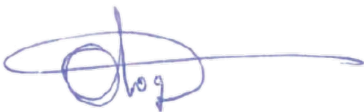
FRC/2013/PRO/DIR/003/00000001089

Certification of management's assessment on internal control over financial reporting

In compliance with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Cadbury Nigeria PLC for the year ended 31 December 2023:

I, Ogaga Ologe certify that;

- (i) I have reviewed this management assessment on internal control over financial reporting of Cadbury Nigeria Plc;
- (ii) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (iii) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Company as of, and for, the periods presented in this report;
- (iv) Cadbury Nigeria Plc's Managing Director and I:
 - a are responsible for establishing and maintaining internal controls;
 - b have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us by others within the Company, particularly during the period in which this report is being prepared;
 - c have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - d have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- (v) The Managing Director and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the audit committee of the Company's board of directors.
 - a All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.
- (vi) The Company's Managing Director and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



Ogaga Ologe (Finance Director)

FRC/2013/PRO/DIR/003/00000001091



Independent practitioner's report

To the Members of Cadbury Nigeria Plc

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of Cadbury Nigeria Plc ("the company's") are not adequate as of December 31, 2023, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

What we have performed

We have performed an assurance engagement on Cadbury Nigeria Plc's internal control over financial reporting (ICFR) as of December 31, 2023, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Assessment of, and Report on, Cadbury Nigeria Plc Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Other matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements of Cadbury Nigeria Plc and our report dated 30 March 2024 expressed an unqualified opinion.

Udochi Muogilim

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Udochi Muogilim
FRC/2013/PRO/ICAN/004/00000003209



30 March 2024



Independent auditor's report

To the Members of Cadbury Nigeria Plc

Report on the audit of the financial statements

Our opinion

In our opinion, Cadbury Nigeria Plc's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

Cadbury Nigeria Plc's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of material accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

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

We have determined that there are no key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises Financial highlights, Mission statement, Corporate information, Board of Directors and Company Secretary's profile, Directors' report, Statement of Directors' responsibilities, Certification of the audited financial statements, Report of the audit committee, Management's annual assessment of, and report on Cadbury Nigeria Plc internal control over financial reporting, Certification of management's assessment on internal control over financial reporting,

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria



Securities trading policy, Value added statement, Five-Year financial summary and Cadbury's distributors (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Cadbury Nigeria Plc 2023 Annual Report, which are expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the Cadbury Nigeria Plc 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standard and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

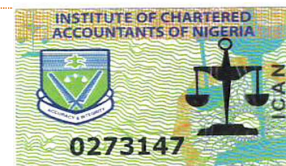
The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
- iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of Cadbury Nigeria Plc's internal control over financial reporting as of 31 December 2023. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 30 March 2024.

Udochi Muogilim

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria



30 March 2024

Engagement Partner: Udochi Muogilim
FRC/2013/PRO/ICAN/004/00000003209


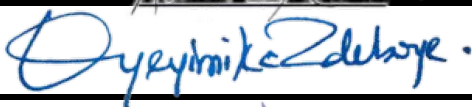
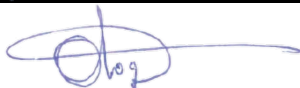
Statement of financial position

As at 31 December 2023

In thousands of naira

	Note	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	13	14,564,239	14,070,993
Right-of-use assets	27	35,781	38,973
Intangible assets	14	141,954	6,813
Deferred taxation	15	8,391,345	-
Total non-current assets		23,133,319	14,116,779
Current assets			
Inventories	16	11,938,959	11,913,166
Trade and other receivables	17	7,320,449	5,164,146
Prepayments	18	583,288	1,071,815
Cash and cash equivalents	19	20,455,005	27,447,778
Total current assets		40,297,701	45,596,905
Total assets		63,431,020	59,713,684
Equity and liabilities			
Equity			
Share capital	20	939,101	939,101
Share premium	20	272,344	272,344
Other reserves	20	3,436,348	3,436,348
Share based payment reserve	22	201,574	176,896
Retained (loss)/earnings		(11,363,045)	8,477,940
Total equity		(6,513,678)	13,302,629
Liabilities			
Non-current liabilities			
Borrowings	24	-	7,640,590
Deferred taxation	15	-	1,092,687
Employee benefits	21	749,435	576,884
Lease liabilities	27	1,748	12,494
Total non-current liabilities		751,183	9,322,655
Current liabilities			
Borrowings	24	43,214,805	16,219,870
Current tax liabilities	11	437,461	383,006
Trade and other payables	23	25,530,503	20,484,918
Lease liabilities	27	10,746	606
Total current liabilities		69,193,515	37,088,400
Total liabilities		69,944,698	46,411,055
Total equity and liabilities		63,431,020	59,713,684

These financial statements were approved and authorised for issue by the Board of Directors on 28 March 2024 and signed on its behalf by:

 _____)	Mr. Adedotun Sulaiman, MFR (Chairman) FRC/2013/PRO/ICAN/002/00000002885
 _____)	Oyeyimika Adeboye (Managing Director) FRC/2013/PRO/DIR/003/00000001089
 _____)	Ogaga Ologe (Finance Director) FRC/2013/PRO/DIR/003/00000001091

The accompanying notes on pages 38 to 76 form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income

for the year ended 31 December 2023

<i>In thousands of naira</i>	Note	2023	2022
Revenue	5	80,378,955	55,212,617
Cost of sales	9	(63,041,528)	(47,489,806)
Gross profit		17,337,427	7,722,811
Other income	6	72,590	81,530
Selling and distribution expenses	9	(7,372,547)	(6,346,950)
Administrative expenses	9	(2,168,790)	(1,267,533)
Write-back of impairment for receivables	26(a)	3,509	4,205
Result from operating activities		7,872,189	194,063
Finance income	7	2,262,684	1,608,174
Finance cost	7	(38,291,907)	(503,827)
Net finance (cost)/income		(36,029,223)	1,104,347
(Loss)/profit before tax		(28,157,034)	1,298,410
Income tax credit/(expense)	11	9,067,330	(715,299)
(Loss)/profit for the year		(19,089,704)	583,111
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(19,089,704)	583,111
Basic and diluted (loss)/earnings per share (Kobo)	12	(1,016)	31

The accompanying notes on pages 38 to 76 form an integral part of these financial statements.

Statement of changes in equity

for the year ended 31 December 2023

In thousands of naira

Note	Share capital	Share premium	Other reserves	Shared based payment	Retained (Loss)/earnings	Total equity
Balance at 1 January 2023	939,101	272,344	3,436,348	176,896	8,477,940	13,302,629
Comprehensive income for the year						
Loss for the year	-	-	-	-	(19,089,704)	(19,089,704)
Total comprehensive income for the year	-	-	-	-	(19,089,704)	(19,089,704)
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	(751,281)	(751,281)
Equity settled share based payment transaction	-	-	-	24,678	-	24,678
Total transactions with owners, recorded directly in equity	-	-	-	24,678	(751,281)	(726,603)
Balance at 31 December 2023	939,101	272,344	3,436,348	201,574	(11,363,045)	(6,513,678)

	Share capital	Share premium	Other reserves	Shared based payment	Retained earnings	Total equity
In thousands of naira						
Balance at 1 January 2022	939,101	272,344	3,436,348	153,220	8,835,341	13,636,354
Comprehensive income for the year						
Profit for the year	-	-	-	-	583,111	583,111
Total comprehensive income for the year	-	-	-	-	583,111	583,111
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	(940,512)	(940,512)
Equity settled share based payment transaction	-	-	-	23,676	-	23,676
Total transactions with owners, recorded directly in equity	-	-	-	23,676	(940,512)	(916,836)
Balance at 31 December 2022	939,101	272,344	3,436,348	176,896	8,477,940	13,302,629

The accompanying notes on pages 38 to 76 form an integral part of these financial statements.

Statement of cash flows

for the year ended 31 December 2023

<i>In thousands of naira</i>	Note	2023	2022
Cash flow from operating activities			
(Loss)/profit before tax		(28,157,034)	1,298,410
Adjustments for:			
Depreciation of property, plant and equipment	13	1,623,850	1,462,150
Impairment of property, plant and equipment	13	1,399,445	-
Depreciation of right of use assets	27	18,372	18,238
Writeback- depreciation on land	13	-	(175,286)
Equity settled share-based payment transaction	22	24,678	23,676
Write-back of impairment for receivables	26(a)	(3,509)	(4,205)
Amortisation of intangible assets	14	41,613	6,262
Finance income	7	(2,262,684)	(1,608,174)
Exchange gain on foreign currency cash and cash equivalents		(1,116,389)	(160,969)
Gain on sale of property, plant and equipment	6	-	(36,479)
Loss on sale of property, plant and equipment	9	2,527	-
Accretion of interest on lease liabilities	27(b)	1,144	621
Gain on lease modification	27(b)	-	(1,219)
Interest on borrowings	24	1,357,841	503,206
Expense for employee benefits	21(c)	246,162	110,552
Exchange loss on Intercompany loan	24	6,896,616	541,301
Exchange loss on Import finance facilities	24	20,431,495	-
		504,127	1,978,084
Change in:			
Increase in inventories	16	(25,793)	(3,812,436)
Increase in trade and other receivables	17	(2,171,540)	(1,206,918)
Decrease/(increase) in Prepayments	18	488,527	(414,437)
Increase in trade and other payables	23(c)	6,459,189	3,433,734
Cash generated/(used in) operating activities		5,254,510	(21,973)
Employee benefit paid	21(a)	(73,611)	(201,685)
VAT paid	23(c)	(2,040,168)	(1,762,145)
Income tax paid	11(b)	(343,501)	(7,826)
Net cash generated/(used in) operating activities		2,797,230	(1,993,628)
Cash flow from investing activities			
Interest received	7	2,262,684	1,608,174
Proceeds from sale of property, plant and equipment		4,434	103,771
Acquisition of property, plant and equipment	13	(3,700,256)	(2,406,842)
Net cash used in investing activities		(1,433,138)	(694,897)
Cash flow from financing activities			
Dividends paid	23(a)	(124,717)	(157,218)
Additions - Intercompany loan	24	6,196,000	-
Additions - Import finance facilities	24	30,824,426	14,219,167
Repayment - Intercompany loan	24	(14,902,456)	-
Repayment- Import finance facilities	24	(31,449,577)	(1,883,566)
Repayment of lease liabilities	27(b)	(16,930)	(27,180)
Net cash (used in)/generated from financing activities		(9,473,254)	12,151,203
Net (decrease)/increase in cash and cash equivalents		(8,109,162)	9,462,678
Cash and cash equivalents at 1 January		27,447,778	17,824,131
Exchange gain on foreign currency cash and cash equivalents		1,116,389	160,969
Cash and cash equivalents at 31 December	19	20,455,005	27,447,778

The accompanying notes on pages 38 to 76 form an integral part of these financial statements.

Notes to the financial statements

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Notes to the financial statements

1 Reporting entity

Cadbury Nigeria Plc is a company domiciled and incorporated in Nigeria On 9 January 1965. The address of the Company's registered office is Lateef Jakande Road, Ikeja, Lagos. The Company is principally engaged in the manufacture and sale of branded fast moving consumer goods mostly to the Nigerian market, but also for exports.

The Company's brands fall into three principal categories, namely refreshment beverages, confectionery and intermediate cocoa products. Cadbury Bournvita and 3-in-1 Hot Chocolate are the refreshment beverages, TomTom, Candy Caramel, Candy Coffee, Buttermint and Clorets gum are the confectionery products, Bournvita Biscuit is the biscuit category while Cocoa Butter is a key product in the intermediate cocoa category. On 1 April 2013, the Company put on hold the production and sale of Bournvita Biscuits.

Cadbury Nigeria Plc is owned 74.97% (2022: 74.97%) by Cadbury Schweppes Overseas Limited ("CSOL"), incorporated in the United Kingdom while CSOL is owned by Mondelez International and 25.03% (2022: 25.03%) by a highly diversified spread of individual and institutional shareholders.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and in the manner required by the Companies and Allied Matter Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act 2023. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). They were authorized for issue by the Company's Board of Directors on 28 March 2024.

(b) Basis of preparation

These financial statements have been prepared in accordance with the going concern assumption under the historical cost basis except for the following:

- Equity-settled share-based payment arrangements – fair value
- Defined benefit obligations – present value of the obligation
- Inventory - lower of cost or net realizable value
- Lease liabilities - present value of the obligation

The methods used to measure fair values are discussed further in note 4.

(c) Functional and presentation currency

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

(d) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about assumptions, estimation uncertainties, and critical judgments in applying accounting policies that have a significant effect on the amounts recognized in the financial statements are described below;

Note 13 – Impairment assessment of property, plant and equipment

Note 13 – Estimated useful lives of property, plant and equipment

Note 15 – Deferred taxation

Note 15 – Net realisable value of inventory

Note 21 – Employee benefits

Note 22 – Share-based payment plan

Note 26 – Provision of expected credit losses (ECL) on trade receivables

Note 26 – Provision of expected credit losses (ECL) on related parties receivables

Note 28 – Contingent liabilities and commitments

Deferred taxation-key assumptions

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the financial statements (Continued)

2 Basis of preparation (continued)

(d) Use of estimates and judgments (continued)

Provision of expected credit losses (ECL) on trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Provision of expected credit losses (ECL) on related parties receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses (ECL), which uses a lifetime expected loss allowance for all related parties receivables. In applying the provision matrix, the Company estimates the ultimate write offs for a defined population of related parties receivables. A loss ratio is calculated according to the ageing profile of the related parties receivables by applying the historic write offs to the payment profile of the population adjusted to reflect current and forward looking information on macroeconomic factors. The Company exercises significant judgements in the inputs, assumptions and techniques for estimating ECL, default and credit impaired assets.

Estimated useful lives of property, plant and equipment

Property, Plant and Equipment are depreciated over their useful lives. The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives are based on technical evaluations carried out by experts and those staff with knowledge of the assets and experience with similar assets. Estimates could change if expectations differ due to physical wear and tear and technical or commercial obsolescence. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the plant and machinery would increase expenses and decrease the value of property, plant and equipment.

Impairment assessment of property, plant and equipment

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available unobservable inputs that are developed based upon the best information available under the circumstances, which might include the Company's own data less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Net realisable value of inventory

Net realisable value of inventory is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated cost necessary to make the sale. The Company estimate selling price of inventory based on current market condition, including supply and demand mechanism, pricing trends and macro-economics conditions that might affect the selling price of the inventory. The Company also evaluate historical sales data and patterns to understand the inventory performance in the past to provide insights to likely selling price in the future, adjusted for factors such as inventory damage, obsolescence, change in technology. The Company estimated selling cost include marketing expenses, commission on sales, shipping costs and other incidental cost directly related to the sale. If the inventory require further processing or manufacturing before it can be sold, estimated cost of completion will include material cost, labour cost and overhead necessary to complete the inventory.

Notes to the financial statements (Continued)

2 Basis of preparation (continued)

(d) Use of estimates and judgments (continued)

Employee benefits (Long service awards)

Employee benefit is other long-term employment benefit plan (long service awards) other than a defined contribution plan and defined benefit plan. The Company's net obligation in respect of long service awards is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years and that benefit is discounted to determine its present value. In determining the liability for employee benefits under the long service awards, consideration is given to future increases in salary rates and the Company's experience with staff turnover.

The recognized liability is determined by an independent actuarial valuation every year using the projected unit credit method. Actuarial gains and losses arising from differences between the actual and expected outcome in the valuation of the obligation are recognized fully in profit or loss.

The effect of any curtailment is also charged in full in profit or loss immediately the curtailment occurs. The discount rate is the yield on Federal Government of Nigeria issued bonds that have maturity dates approximately the terms of the Company's obligation. Although the scheme is not funded, the Company ensures that adequate arrangements are in place to meet its obligations under the scheme.

Share-based payment transactions

The Company participates in a group share-based payment arrangement instituted by its ultimate parent, Mondelez International. Certain employees of the Company participate in this arrangement which is based on the shares of Mondelez International. The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the years that the employees unconditionally become entitled to the awards.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions. They are presented as employee expenses and included in administrative expenses in the statement of profit or loss.

Share-based payment arrangements in which the Company receives goods or services and has no obligation to settle the share-based payment transaction are accounted for as equity-settled share-based payment transactions, regardless of the equity instrument awarded.

Fair value measurement of financial instruments

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

Contingent liabilities and commitments

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

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

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

3 Material accounting policies

(a) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rates of exchange prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognized in net finance cost (see note 7). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Notes to the financial statements (Continued)

3 Material accounting policies (continued)

(b) Financial instruments

i) Classification and measurement

Financial assets

It is the Company's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement of the Company's debt instruments is dependent on the Company's business model for managing the asset and the cashflow characteristics of the asset. On this basis, the Company classifies its debt instruments at amortised cost. The Company has no equity investments.

The business models applied to assess the classification of the financial assets held by the company are;

Hold to collect: Financial assets in this category are held by the Company solely to collect contractual cash flows and these cash flows represents solely payments of principal and interest. Assets held under this business model are measured at amortised cost.

Fair value through other comprehensive income: Financial assets in this category are held to collect contractual cash flows and sell where there are advantageous opportunities. The cash flows represents solely payment of principal and interest. These financial assets are measured at fair value through other comprehensive income.

Fair value through profit or loss: This category is the residual category for financial assets that do not meet the criteria described above. Financial assets in this category are managed in order to realise the asset's fair value.

The business model for the Company's financial assets are held to collect contractual cashflows that are solely payments of principal (for non-interest bearing financial assets) or solely payments of principal and interest (for interest bearing financial assets).

The Company's financial assets include trade and other receivables, cash and cash equivalents and amount due from related parties. They are included in current assets, except for maturities greater than 12 months after the reporting date. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income/cost.

Financial liabilities

Financial liabilities of the Company are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings, amounts due to related parties and lease liabilities.

ii) Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost under IFRS 9: Financial instruments. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The general approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis. Non-trade receivables from related parties, other assets and cash and cash equivalents have been assessed for impairment under this approach.

The simplified approach is applied for trade receivables from related parties and third party customers. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the receivable and adjusted using forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

In line with the Company's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Company carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Company determines that there are no realistic prospects of recovery, the financial asset, and any related loss allowance is written off either partially or in full.

Notes to the financial statements (Continued)

- 3 Material accounting policies (continued)
(b) Financial instruments (continued)

iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as finance income/cost.

Financial liabilities

The Company derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

iv) 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 the event of default, insolvency or bankruptcy of the Company or the counterparty.

(c) Property, plant and equipment

i. Recognition and measurement

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

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Buildings and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Other items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, except capital work in progress measured at cost less any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of construction recognized includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to the location and a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized as profit or loss in the statement of profit or loss and other comprehensive income.

ii. Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred. The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company.

iii. Depreciation and impairment

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of capital-work-in-progress, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using a straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

Notes to the financial statements (Continued)

3 Material accounting policies (continued)

(c) Property, plant and equipment

iii. Depreciation and impairment (continued)

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- Freehold land
- Buildings – 40 years
- Plant and Machinery
 - Power Generating Equipment – 20 years
 - Packaging Equipment – 15 years
 - Food and Candy Processing Equipment – 15 years
 - Totebins - 2 years
- Motor Vehicles - 4 years
- Office furniture and Equipment – 6.67 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

Property, plant and equipment are tested 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.

iv. Impairment of non-financial assets

(a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination. An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use. An impairment loss on goodwill is recognised as an expense and is not reversed¹ in a subsequent period.

(b) Intangible assets, Property, plant and equipment, Right-of-use assets, Investments in subsidiaries, associates and joint ventures

Intangible assets, property, plant and equipment, right-of-use assets and investments in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease. Please refer to the paragraph "Property, plant and equipment" for the treatment of a revaluation decrease.

(d) Intangible assets (Software)

Recognition and measurement

- i Software acquired is stated at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

- ii Amortization is recognized in profit or loss on a straight line basis over the estimated useful life of the software from the date it is available for use.

The estimated useful lives for the current and comparative years of significant items of intangible asset are as follows:

- Software
 - Catalyst SAP – 7 years
 - Others – 5 years

- iii Impairment

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Notes to the financial statements (Continued)

3 Material accounting policies (continued)

(d) Intangible assets (Software)

iv Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment whenever there is an indication that it may be impaired.

(e) Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfillment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to control the use of the asset(s).

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company separates non-lease components from lease components.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The Company average lease term is four (4) years.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as non-current assets in the statement of financial position, separately from property, plant and equipment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is based on the money market rate derived from Bloomberg. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The interest expense is included in administrative expenses and presented under operating activities in the Statement of Cash Flows. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Notes to the financial statements (Continued)

3 Material accounting policies (continued)

(f) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

The basis of costing is as follows:

* Engineering spares and consumable stock - purchase cost on a weighted average basis including transportation and clearing costs;

* Raw, sundry and non-returnable packaging materials, finished products and products in process measured on the basis of weighted average cost. The cost of finished goods and products in progress comprises raw materials, direct labor, other direct costs and related production overheads;

* Stock-in-transit - purchase cost incurred to date;

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

(g) Dividend

Dividends are recognized as a liability in the period they are declared.

Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with Section 432 of the Companies and Allied Matters Act (CAMA), 2020, are written back to retained earnings.

The Securities and Exchange Commission (SEC) published a circular in 2015 directing Capital Market Registrars to return all unclaimed dividend which has been in their custody for fifteen (15) months and above to the paying companies. These unclaimed dividends are included as a liability to the shareholders until they become statute barred in accordance with the provisions of Section 432 of Companies and Allied Matters Act (CAMA), 2020.

(h) Employee benefits

i Defined contribution plan

A defined contribution scheme is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts in respect of all employee benefits relating to employee service in current and prior periods. In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for its permanent staff. Staff contributions to the scheme are funded through payroll deductions. Obligations for contributions to the defined contribution plan are recognized as employee benefit expense in profit or loss in the periods which related services are rendered by employees. Employees contribute 8% each of their Basic salary, Transport and Housing Allowances to the Fund on a monthly basis. The Company's contribution is 10.3% of each employee's Basic salary, Transport and Housing Allowances.

ii Defined contribution gratuity scheme

The Company has a defined contribution gratuity scheme for its Nigerian employees called Employee Investment Scheme, which is funded. Under this scheme, a specified amount in accordance with the Gratuity Scheme Agreement is contributed by the Company and charged to the profit and loss account over the service life of the employees. These employees' entitlements are calculated based on their actual salaries and paid to Cadbury Nigeria Employee Investment Scheme (CPFA) Limited each month. The Cadbury Employee investment scheme is held with Stanbic IBTC Pension Fund.

iii Short-term employee benefits

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

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

iv Share-based payment transactions

The Company participates in a group share-based payment arrangement instituted by its ultimate parent, Mondelēz International. Certain employees of the Company participate in this arrangement which is based on the shares of Mondelēz International. The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense (split by function between cost of sales, administrative expenses and selling & distribution expenses), with a corresponding increase in equity, over the years that the employees unconditionally become entitled to the awards.

Notes to the financial statements (Continued)

3 Material accounting policies (continued)

(h) Employee benefits (continued)

iv Share-based payment transactions (continued)

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions. They are presented as employee expenses and included in administrative expenses in the statement of profit or loss.

Share-based payment arrangements in which the Company receives goods or services and has no obligation to settle the share-based payment transaction are accounted for as equity-settled share-based payment transactions, regardless of the equity instrument awarded.

v Other long-term employee benefits

The Company's other long-term employee benefits represents Long Service Awards scheme instituted for all permanent employees. The Company's obligation in respect of the Long Service Awards scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximating the term of the Company's obligation. The calculation is performed using the Projected Unit Credit method. Remeasurements are recognized fully in profit or loss.

vi Termination benefits

Termination benefits are recognized as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

(i) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future pre-tax cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

(j) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognized as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

(k) Government grants

The Company is a beneficiary of the Export Expansion Grant (EEG), an unconditional grant related to export sales. The EEG aims to support active exporters in expanding their international business. It is a post-shipment incentive designed to expand export volumes and improve global competitiveness of the Nigerian products. The value of the grant is based on the amount awarded in the grant certificate. The grant is recognized in the statement of profit or loss as a deduction from cost of sales when the grant becomes receivable.

(l) Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable for goods or services, in the ordinary course of the Company's activities and it is stated net of value added tax (VAT), rebates and returns. A valid contract is recognised as revenue after the below conditions are met:

- The contract is approved by the parties
- Rights and obligations are recognised
- Collectability is probable
- The contract has commercial substance; and
- The payment terms and consideration are identifiable.

Notes to the financial statements (Continued)

3 Material accounting policies (continued)

(I) Revenue from contracts with customers (continued)

The probability that a customer would make payment is ascertained based on the evaluation done on the customer as stated in the credit management policy at the inception of the contract. The Company is the principal in all of its revenue arrangement since it is the primary obligor in most of the revenue arrangements, has inventory risk and determines the pricing for the goods and services.

Sale of goods arises from sales of products to third parties and related parties. Revenue from the sale of goods is recognised when the control of the goods are transferred to the buyer. This occurs when the goods are transferred to the customer in accordance with the terms of the trade contract. The Company offers a credit period of 38 days which is deemed suitable and conditional upon the provision of a bank guarantee, otherwise payment would be made in advance. The payment term is as contained in the customer's contract and contracts with customers do not contain a financing component. Returns are not allowed for goods sold, so the Company does not have a return Policy.

Delivery occurs when the goods have been shipped to the agreed location, the risks of obsolescence and loss have been transferred to the customer. Revenue is recognised based on the price specified in the contract, net of the estimated rebates. Rebates are estimated at the inception of the contract.

Disaggregation of revenue from contract with customers

The Company recognises revenue from the transfer of goods at a point in time in the following product lines and geographical regions. The below information is stated in thousands of Naira.

Product lines	Nigeria	Other Countries	Total
Refreshment Beverages	52,211,637	-	52,211,637
Confectionery	20,784,641	4,798,067	25,582,708
Biscuit	609,022	-	609,022
Intermediate cocoa products		1,975,588	1,975,588
Total	73,605,300	6,773,655	80,378,955

(m) Finance income and finance costs

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss where the Company holds such financial assets. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, interest on lease liabilities, changes in the fair value of financial assets at fair value through profit or loss where the Company holds such financial assets.

(n) Taxation

Income tax expense represents the sum of current tax expense and deferred tax expense. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

i. Current tax

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

Company Income Tax- This relates to tax on revenue and profit generated by the Company during the year, to be taxed under the Companies Income Tax Act Cap C21, LFN 2020 as amended to date.

Tertiary Education Tax- Tertiary education tax is based on the assessable income of the Company and is governed by the Tertiary Education Trust Fund (Establishment) Act LFN 2011.

The Nigeria Police Trust Fund (NPTF) – This relates to levy on the net profit of companies operating business in Nigeria. It is established by the Nigeria Police Trust Fund (Establishment) Act 2019 (as amended).

The Company offsets current tax assets and current tax liabilities if and only if it has a legally enforceable right to set off tax assets and tax liabilities and they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

ii. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the financial statements (Continued)

3 Material accounting policies (continued)

ii. Deferred tax (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

iii. Tax exposures

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(o) Share capital

The Company has only one class of shares: ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

Incremental costs that are directly attributable to issuing new shares are deducted from equity (net of any income tax benefit). Non-incremental costs that are not directly attributable to the share issue are recorded as an expense in profit or loss.

(p) Earnings per share

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

(q) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprises cash at banks, call deposits and cash in transit. Cash in transit comprises cash transfers initiated via an electronic transfer system which are not yet settled into the Company's bank account by the bank and for which the Company received confirmation of transfer in the form of a swift advice from the relevant bank. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and call deposits with associated exchange difference for foreign currency-denominated balances, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, equity-settled share-based payments and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while finance income is included in investing activities.

(r) Operating segment

An operating segment is a distinguishable component of the Company that earns revenue and incurs expenditure from providing related products or services (business segment), or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments. The Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.

Segment results that are reported to the Company's Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax assets and liabilities. The Board of Directors is the Chief Operating decision maker.

Notes to the financial statements (Continued)

- 3 Material accounting policies (continued)
- (s) Application of new and revised International Financial Reporting Standards (IFRSs) and interpretations to standards

The following new standard, amendment to standard and interpretation are effective for the period under review. The Company is not affected by all other effective amendments during the year.

(i) IFRS 17 - Insurance Contracts

The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach. The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it takes into account market interest rates and the impact of policyholders' options and guarantees.

The standard had no impact on the Company's financial statements.

(ii) Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The standard had impact on the Company's financial statements.

(iii) Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies

The amendments change the requirements in IAS1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The standard had impact on the Company's financial statements.

(iv) Amendments on IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

On 7 May 2021, the IASB issued Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for annual periods beginning on or after 1 January 2023.

The standard had no impact on the Company's financial statements.

(t) New standards, amendments and interpretation not yet effective

Certain new standards, amendments to standards and interpretations have been published that are not yet effective for the financial year ended 31 December 2023 and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is as stated below. Other standards are not applicable to the Company.

Notes to the financial statements (Continued)

- 3 Material accounting policies (continued)
- (t) New standards, amendments and interpretation not yet effective (continued)
- (i) Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture.
- Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.
- Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.
- The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted.
- (ii) Amendment to IFRS 16 - Lease Liability in a Sales and Leaseback
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) requires a seller- lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.
- The amendments are effective for annual reporting periods beginning on or after 1 January 2024.
- (iii) Amendment to IAS 21 - Lack of exchangeability
- The amendments include applying a consistent method in determining whether a currency is exchangeable and if so, an appropriate exchange rate, and providing related disclosures. The amendments are effective for years beginning on or after 1 January 2025 with earlier application permitted.
- (iv) Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements
- The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.
- The amendments are effective for annual reporting periods beginning on or after 1 January 2024.
- 4 Measurement of fair values
- A number of the Company's accounting policies and disclosures require the determination of fair value, for financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Significant valuation issues are reported to the Audit Committee.
- When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- In some cases, if the inputs used to measure the fair value of an asset or a liability is categorised in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
- The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in Financial Instruments – Financial risk management and fair values (Note 25).

Notes to the financial statements (Continued)

5 Revenue

In thousands of naira

Revenue for the year comprises:

	2023	2022
Domestic sales	73,605,300	53,045,300
Export sales	6,773,655	2,167,317
Revenue is recognised at a point in time	<u>80,378,955</u>	<u>55,212,617</u>

6 Other income

Other income comprises:

In thousands of naira

	2023	2022
Sale of by-products	39,869	59
Insurance claims received	32,721	44,992
Gain on disposal of property, plant and equipment	-	36,479
	<u>72,590</u>	<u>81,530</u>

7 Net finance (cost)/income

In thousands of naira

	2023	2022
Finance income		
Interest income on bank deposits	2,262,684	1,608,174
Finance cost		
Interest expense on leases	(1,144)	(621)
Interest expense on borrowings	(1,357,841)	(503,206)
Exchange difference- Realized	(30,072,058)	-
Exchange difference- Unrealized	(6,860,864)	-
	<u>(38,291,907)</u>	<u>(503,827)</u>
Net finance (cost)/income recognised in profit or loss	<u>(36,029,223)</u>	<u>1,104,347</u>

8 Profit before tax

Profit before taxation is stated after charging/(crediting):

In thousands of naira

	2023	2022
Directors' remuneration (Note 10(iv))	257,017	265,692
Depreciation of property, plant and equipment (Note 13)	1,623,850	1,462,150
Depreciation of right of use assets (Note 27)	18,372	18,238
Impairment of property, plant and equipment (Note 13)	1,399,445	-
Amortisation of intangible assets (Note 14)	41,613	6,262
Personnel expenses (Note 10(i))	6,601,628	5,800,382
Audit fees	27,192	20,237
Tax services	50,600	32,059
Loss/(gain) on disposal of property, plant and equipment	2,527	(36,479)
Royalty and technical service fees	1,445,187	1,165,756
Operating lease cost	4,875	9,065
Foreign currency exchange loss, net	36,932,922	2,091,401

Non-audit Services

No non-audit services were provided by our auditors

Details of other professionals providing other forms of assurance on the financial statements are as follows:

Name of professional	FRC number of the professional	Name of firm	Nature of service
Miller Kingsley	FRC/2012/PRO/NAS/00000002392	Ernst and Young	Actuarial services
Audrey Obidike	FRC/2015/PRO/ICAN/004/00000011970	Ernst and Young	Taxation services

Notes to the financial statements (Continued)

9 Expenses by nature

The analysis of Cost of Sales, Selling & Distribution and Administrative expenses by nature are as follows:

<i>In thousands of naira</i>	2023	2022
Finished goods, raw and packaging materials	50,583,290	36,722,836
Energy and utilities	3,567,561	1,635,159
Advertising and sales promotion	3,542,194	3,365,050
Depreciation of property, plant and equipment (Note 13)	1,623,850	1,462,150
Impairment of property, plant and equipment (Note 13)	1,399,445	-
Amortisation of intangible assets (Note 14)	41,613	6,262
Depreciation of Right of use assets (Note 27)	18,372	18,238
Personnel expenses (Note 10(i))	6,601,628	5,800,382
Distribution	935,101	842,143
Repairs and maintenance	1,288,739	535,101
Royalty, technical service and management fees	1,445,187	1,165,756
Consultancy, professional fees and subscriptions	197,449	321,821
Travel and entertainment	332,785	133,750
Telephone and related charges	33,113	33,195
Insurance	248,002	230,359
Loss on disposal of property, plant and equipment	2,527	-
Production and office consumables	722,009	2,832,087
	72,582,865	55,104,289

Summarised as follows:

Cost of sales	63,041,528	47,489,806
Selling and distribution expenses	7,372,547	6,346,950
Administrative expenses	2,168,790	1,267,533
	72,582,865	55,104,289

10 Personnel expenses

(i) Employee benefit expenses during the year comprises:

<i>In thousands of naira</i>	2023	2022
Salaries and wages	5,832,610	5,440,747
Pension contribution (Note 21(b))	744,340	335,959
Share-based transactions (Note 22)	24,678	23,676
	6,601,628	5,800,382

Notes to the financial statements (Continued)

10 Personnel expenses (Continued)

(ii) Employees of the Company, other than Directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension costs and certain benefits) in the following ranges:

				2023	2022
				Number	Number
₦		₦			
	300,001		600,000	15	-
	600,001	-	800,000	12	32
	800,001	-	1,000,000	5	10
	1,000,001	-	1,200,000	9	6
	1,200,001	-	1,400,000	3	13
	1,400,001	-	1,600,000	13	5
	1,600,001	-	1,800,000	1	0
	1,800,001	-	2,000,000	12	4
	2,000,001	-	2,500,000	34	47
	2,500,001	-	3,000,000	103	106
	3,000,001	-	3,500,000	85	74
	3,500,001	-	4,000,000	37	45
	4,000,001	-	4,500,000	25	24
	4,500,001	-	5,000,000	23	25
	5,000,001	and	above	82	89
				<u>459</u>	<u>480</u>

(iii) The average number of full-time persons employed during the year (other than Executive Directors) was as follows:

	2023	2022
	Number	Number
Production	289	307
Supply chain	28	28
Sales and marketing	116	115
Administration	26	30
	<u>459</u>	<u>480</u>

(iv) Remuneration for Directors of the Company charged to the profit or loss are as follows:

	2023	2022
<i>In thousands of naira</i>		
Fees	23,800	22,700
Salaries	219,240	229,878
Pension	13,977	13,114
	<u>257,017</u>	<u>265,692</u>

Three directors received directors fee as remuneration while the others received salaries.

The Directors' remuneration shown above includes:

	2023	2022
<i>In thousands of naira</i>		
Chairman	9,100	8,700
Highest paid director	169,799	164,276

Other Directors received emoluments in the following ranges:

				2023	2022
				Number	Number
	Nil	-	100,000	2	2
	7,000,001	-	9,000,000	2	3
	50,000,000	-	70,000,000	1	1
	90,000,000	-	170,000,000	1	1
				<u>6</u>	<u>7</u>

Notes to the financial statements (Continued)

11	Income tax (credit)/expense		
	Tax recognised in profit or loss:		
	<i>In thousands of naira</i>	2023	2022
	Minimum tax	413,430	-
	Company income tax	-	284,623
	Tertiary education tax	-	96,164
	Police trust fund levy	-	65
	Capital gain tax	3,272	-
		<u>416,702</u>	<u>380,852</u>
	Deferred tax (credit)/expense (Note 15)	(9,484,032)	334,447
	Income tax (credit)/expense	<u>(9,067,330)</u>	<u>715,299</u>

The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax laws and prior experience.

(a)	Reconciliation of effective tax rate:				
	<i>In thousands of naira</i>		2023		2022
		%		%	
	(Loss)/profit for the year		(19,089,704)		583,111
	Taxation		(9,067,330)		715,299
	(Loss)/profit before income tax		<u>(28,157,034)</u>		<u>1,298,410</u>
	Income tax using the				
	Company's domestic rate of				
	30%	30	(8,447,110)	30	389,523
	Impact of tertiary education tax-	-	-	7	96,164
	Impact of police trust fund levy	-	-	0	65
	Capital gain tax	(0)	3,272		-
	Impact of deferred tax	34	(9,484,032)	26	334,447
	Impact of minimum tax	(1)	413,430	22	284,623
	Loss for the year	-	-	-	-
	Losses relieved for the year	(23)	6,474,472	(27)	(357,010)
	Relief for the year	-	-	(64)	(826,970)
	Effect of capital allowance and				
	balancing charge	(0)	1,330	2	30,012
	Non-deductible expenses	(13)	3,609,554	78	1,008,286
	Effect of tax incentives and				
	exempted income	6	(1,638,246)	(19)	(243,841)
	Tax (credit)/expense	<u>32</u>	<u>(9,067,330)</u>	<u>55</u>	<u>715,299</u>

(b)	The movement on the tax payable account during the year was as follows:		
	<i>In thousands of naira</i>	2023	2022
	Balance, beginning of the year	383,006	110,296
	Current year charge	416,702	380,852
	Payments during the year	(343,501)	(7,826)
	Withholding credit notes utilised	(18,746)	(100,316)
	Balance, end of the year	<u>437,461</u>	<u>383,006</u>

Notes to the financial statements (Continued)

12 Earnings and declared dividend per share

(a) Basic (loss)/earnings per share

Basic loss per share for the Company of 1016 kobo (2022: earnings: 31 kobo) is based on the loss attributable to ordinary shareholders of ₦19,089,704,000 (2022: profit: ₦583,111,000), and on the 1,878,201,962 (2022: 1,878,201,962) ordinary shares of 50 kobo each, being weighted average number of ordinary shares in issue during the year.

	2023	2022
Weighted average number of ordinary shares Issued ordinary shares at 1 January	1,878,201,962	1,878,201,962
Ordinary shares issued (Note 20) Weighted average number of ordinary shares at 31 December	1,878,201,962	1,878,201,962
(Loss)/profit attributable to ordinary shareholders (₦'000)	(19,089,704)	583,111
Basic (loss)/earnings per share (kobo)	(1,016)	31

There were no potentially dilutive shares as at the reporting date (2022: Nil), thus the basic (loss)/earnings per share and the diluted (loss)/earnings per share have the same value.

(b) Dividend declared per share

Dividend per ordinary share of 40 kobo (2021: 50 kobo) was declared for the 2022 financial year on 24th March 2023, amounting to ₦751 million (2021: ₦941 million).

Dividend declared is subject to withholding tax before payment to the recipients. Also, excess dividend tax is applicable on the dividend declared to the extent that the dividend is declared out of profits that have not been subject to tax.

Notes to the financial statements (Continued)

13 Property, plant and equipment

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

<i>In thousands of naira</i>	Freehold Land	Buildings	Plant & machineries	Office furniture & equipment	Motor vehicles	Capital Work in Progress (WIP)	Total
Cost							
At 1 January, 2023	652,800	5,500,870	23,897,957	2,085,336	1,564,663	560,601	34,262,227
Additions	-	-	-	-	-	3,695,822	3,695,822
Intercompany	-	-	4,434	-	-	-	4,434
Transfers from CWIP	-	338,541	2,196,541	54,062	786,363	(3,552,261)	(176,754)
Disposals	-	(246)	(22,482)	-	(237,090)	-	(259,818)
At 31 December, 2023	<u>652,800</u>	<u>5,839,165</u>	<u>26,076,450</u>	<u>2,139,398</u>	<u>2,113,936</u>	<u>704,162</u>	<u>37,525,911</u>
Accumulated depreciation							
At 1 January, 2023	-	2,122,232	16,298,680	1,108,936	661,386	-	20,191,234
Depreciation for the year	-	182,483	992,042	100,871	348,454	-	1,623,850
Disposals	-	(110)	(22,482)	-	(230,265)	-	(252,857)
Impairment*	-	375,092	1,010,528	13,825	-	-	1,399,445
At 31 December, 2023	<u>-</u>	<u>2,679,697</u>	<u>18,278,768</u>	<u>1,223,632</u>	<u>779,575</u>	<u>-</u>	<u>22,961,672</u>
Cost							
At 1 January, 2022	652,800	5,372,490	21,644,884	1,840,512	1,571,417	1,422,308	32,504,411
Additions	-	-	-	-	-	2,406,842	2,406,842
Transfers from CWIP	-	128,380	2,293,807	333,802	512,560	(3,268,549)	-
Disposals	-	-	(40,734)	(88,978)	(519,314)	-	(649,026)
At 31 December, 2022	<u>652,800</u>	<u>5,500,870</u>	<u>23,897,957</u>	<u>2,085,336</u>	<u>1,564,663</u>	<u>560,601</u>	<u>34,262,227</u>
Accumulated depreciation							
At 1 January, 2022	175,286	1,934,750	15,405,565	1,070,722	899,781	-	19,486,104
Depreciation for the year	-	187,482	915,278	101,614	257,776	-	1,462,150
Disposals	-	-	(22,163)	(63,400)	(496,171)	-	(581,734)
Adjustment**	(175,286)	-	-	-	-	-	(175,286)
At 31 December, 2022	<u>-</u>	<u>2,122,232</u>	<u>16,298,680</u>	<u>1,108,936</u>	<u>661,386</u>	<u>-</u>	<u>20,191,234</u>
Carrying amounts							
At 31 December 2023	<u>652,800</u>	<u>3,159,468</u>	<u>7,797,682</u>	<u>915,766</u>	<u>1,334,361</u>	<u>704,162</u>	<u>14,564,239</u>
At 31 December 2022	<u>652,800</u>	<u>3,378,638</u>	<u>7,599,277</u>	<u>976,400</u>	<u>903,277</u>	<u>560,601</u>	<u>14,070,993</u>

* Impairment during the current year were due to management decision to discontinue the biscuit line. This decision led to full impairment of all assets associated within the biscuit line (2022: Nil).

** Depreciation adjustment on Freehold land represents prior years accumulated depreciation earlier charged now corrected, as Freehold land is assumed to have an unlimited useful life.

Notes to the financial statements (Continued)

13 Property, plant and equipment (Continued)

(b) Capital work in progress

Capital work in progress as at the end of the year is analysed as follows:

<i>In thousands of naira</i>	2023	2022
Building	18,850	9,319
Plant and machinery	508,672	345,023
Office furniture and equipment	-	28,983
Software	176,640	177,276
	<u>704,162</u>	<u>560,601</u>

No borrowing costs were capitalised during the year as the acquisition of property, plant and equipment was not through borrowings (2022: Nil).

There is no restriction on the title of property, plant and equipment and no pledge as security on liabilities.

(c) Capital commitments

Capital expenditure commitments at the year-end authorized by the Board comprise:

<i>In thousands of naira</i>	2023	2022
Contracted	1,435,000	132,408
Not contracted	-	-
	<u>1,435,000</u>	<u>132,408</u>

14 Intangible assets

Intangible assets represent purchase and installation cost of software licenses. The movement on this account during the year was as follows:

<i>In thousands of naira</i>	2023	2022
Cost		
Balance at 1 January	701,260	701,260
Transfers from CWIP	176,754	-
Balance at 31 December	<u>878,014</u>	<u>701,260</u>
Accumulated amortisation		
Balance at 1 January	694,447	688,185
Amortisation for the year	41,613	6,262
Balance at 31 December	<u>736,060</u>	<u>694,447</u>
Carrying amounts		
As at 1 January	6,813	13,075
As at 31 December	<u>141,954</u>	<u>6,813</u>

Notes to the financial statements (Continued)

15 Deferred Tax

(a) Movement in deferred tax balances

<i>In thousands of naira</i>	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
Unrealised exchange difference	2,264,085	564,778	-	-	2,264,085	564,778
Trade and other receivables	3,320	263,952	-	-	3,320	263,952
Employee benefits	247,314	187,487	-	-	247,314	187,487
Inventory	268,591	67,812	-	-	268,591	67,812
Property, plant and equipment & Intangible assets	-	-	(925,271)	(2,206,546)	(925,271)	(2,206,546)
Right of use assets	-	-	(7,685)	(7,210)	(7,685)	(7,210)
Unrelieved losses carried forward	6,474,472	-	-	-	6,474,472	-
Share Based Payment Expenses	66,519	37,040	-	-	66,519	37,040
Expected credit loss	-	-	-	-	-	-
	<u>9,324,301</u>	<u>1,121,069</u>	<u>(932,956)</u>	<u>(2,213,756)</u>	<u>8,391,345</u>	<u>(1,092,687)</u>

(b) Movement in temporary differences during the year

<i>In thousands of naira</i>	Balance 1 January 2022	Recognised in profit or loss	Recognised in other comprehensive income	Balance 31 December 2022	Recognised in profit or loss	Recognised in other comprehensive income	Balance 31 December 2023
Property, plant and equipment	(1,915,516)	(291,030)	-	(2,206,546)	1,281,275	-	(925,271)
Right of use assets	(5,308)	(1,902)	-	(7,210)	(475)	-	(7,685)
Trade and other receivables	259,967	3,984	-	263,951	(260,631)	-	3,320
Inventory	178,629	(110,816)	-	67,813	200,778	-	268,591
Unrealised exchange difference	120,527	444,251	-	564,778	1,699,307	-	2,264,085
Unrelieved losses carried forward	357,010	(357,010)	-	-	6,474,472	-	6,474,472
Employee benefits	217,106	(29,619)	-	187,487	59,827	-	247,314
Share Based Payment Expenses	29,345	7,695	-	37,040	29,479	-	66,519
Expected credit loss	-	-	-	-	-	-	-
	<u>(758,240)</u>	<u>(334,447)</u>	<u>-</u>	<u>(1,092,687)</u>	<u>9,484,032</u>	<u>-</u>	<u>8,391,345</u>

The amount of non-current deferred tax assets that is expected to be recovered after more than 12 months is ₦8391.35 million (2022: deferred tax liabilities: ₦1092.68 million).

Notes to the financial statements (Continued)

16 Inventories

In thousands of naira

	2023	2022
Raw and packaging materials	5,079,137	6,204,070
Product in process	337,097	332,719
Finished products	3,552,444	2,073,751
Spare parts	1,533,142	1,036,069
Goods in transit	1,437,139	2,266,557
	<u>11,938,959</u>	<u>11,913,166</u>

The value of raw materials, packaging materials, spare parts and changes in finished products and products in process included in cost of sales amounted to ₦54,800 million (2022: ₦38,958 million). Adequate provisions were made for slow-moving stock. The value of obsolete stock at year end was ₦781.03 million (2022: ₦208.65 million).

During the year, no impact (2022: Nil) was recognised as an expense for finished goods carried at net realisable value.

17 Trade and other receivables

In thousands of naira

	2023	2022
Trade receivable	5,058,314	3,072,916
Other receivables*	1,161,401	1,480,256
Withholding tax receivable	395,416	182,710
Due from related parties (Note 25)	705,318	428,264
	<u>7,320,449</u>	<u>5,164,146</u>

*Other receivables comprise amounts receivable from Distributors from funding of Sales Force Automation devices by the Company, amounts held by the Company's Registrar (First Registrar) for unclaimed dividends (Refer to note 23 (a)), accrued interest receivable on time deposits and rebates on export proceeds.

18 Prepayments

In thousands of naira

	2023	2022
Prepaid insurance	388,892	231,157
Prepaid rent*	2,758	51,246
Advances to suppliers	164,618	781,113
Other prepayments**	27,020	8,299
	<u>583,288</u>	<u>1,071,815</u>

*Prepaid rent relates to short-term apartment leases for expatriate to which the company elected to apply the short-term leases recognition exemptions.

**Other prepayments relates to car, housing and leave allowances paid to employees earlier than their due dates and as per company policies.

19 Cash and cash equivalents

In thousands of naira

	2023	2022
Cash and cash equivalents comprises:		
Bank balances	11,362,780	10,166,992
Call deposits	8,903,376	17,280,786
Cash in transit	188,849	-
Cash and cash equivalents in the statement of financial position	<u>20,455,005</u>	<u>27,447,778</u>
Cash and cash equivalents in the statement of cash flows	<u>20,455,005</u>	<u>27,447,778</u>

Cash and cash equivalents comprise cash on hand, demand deposits and cash in transit, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

Expected credit loss on cash and cash equivalents were determined, however, the amount was immaterial and thus, was not recognised.

Foreign currency denominated bank balances are revalued at each reporting date.

There were no restricted cash balance as at reporting date (2022: Nil).

Notes to the financial statements (Continued)

19 Cash and cash equivalents (Continued)

Net (debt)/cash reconciliation

The table below sets out an analysis of net (debt)/cash and the movements in net (debt)/cash for each of the periods presented:

<i>In thousands of naira</i>	2023	2022
Cash and cash equivalents	20,455,005	27,447,778
Borrowings - (including overdraft)	(43,214,805)	(23,860,460)
Net (debt)/cash	(22,759,800)	3,587,318
Cash and liquid investments	20,455,005	27,447,778
Gross debt - fixed interest rates	(43,214,805)	(23,860,460)
Net (debt)/cash	(22,759,800)	3,587,318

<i>In thousands of naira</i>	Other assets	Liabilities from financing activities		
	Cash	Borrowing due within 1 year	Borrowing over 1 year	Total
Net cash as at 1 January 2023	27,447,778	(16,219,870)	(7,640,590)	3,587,318
Cash flows	(6,992,773)	-	-	(6,992,773)
Borrowings (Note 24)	-	(26,994,935)	7,640,590	(19,354,345)
Net debt as at 31 December 2023	20,455,005	(43,214,805)	-	(22,759,800)
Net cash as at 1 January 2022	17,824,131	(3,884,269)	(6,596,083)	7,343,779
Cash flows	9,623,647	-	-	9,623,647
Borrowings (Note 24)	-	(12,335,601)	(1,044,507)	(13,380,108)
Net cash as at 31 December 2022	27,447,778	(16,219,870)	(7,640,590)	3,587,318

20 Capital and reserves

(a) Ordinary shares as at 31 December

In thousands of naira

	2023	2022
Minimum issued shares 1,878,201,962 (2022: 1,878,201,962) ordinary shares of 50k each	939,101	939,101
Issued and fully paid ordinary shares of 50k each At 31 December - 1,878,201,962 ordinary shares of 50k each (2021: 1,878,201,962)	939,101	939,101

Nature and purpose of reserves

(b) Other reserves

The other reserves relates to non-distributable reserve that existed prior to the IFRS conversion which the Company did not transfer to retained earnings.

(c) Shared based payment reserve

The share based payment reserve relates to ordinary shares of Mondelez International that would be issued to employees when the options granted are being excised. As at year end, share based payment reserve amounted to ₦201.6million (2022: ₦176.9million). Refer to Note 22.

(d) Share premium

The balance in the share premium account was as follows:

In thousands of naira

	2023	2022
At 31 December	272,344	272,344

Notes to the financial statements (Continued)

20 Capital and reserves (Continued)

	Number of Ordinary Shares	Percentage Shareholding
Shareholders:		
Cadbury Schweppes Overseas Limited	1,408,131,653	74.97%
Total Directors' Shareholdings	648,000	0.03%
Institution holdings*	169,268,493	9.01%
Other shareholders	300,153,816	15.88%
Total	1,878,201,962	99.9%

* Institution holdings comprises shares held by institutional shareholders for various investors which are available for trade on the floor of the Nigerian Exchange Group (NGX).

Compliance with Free Float Requirements

As at 31 December 2023, Cadbury Nigeria Plc is compliant with the Free Float requirement for the Main Board of the Nigerian Stock Exchange, with free float of 24.99% (2022: 24.99%)

21 Employee benefits

Employee benefits comprises:

In thousands of naira

	2023	2022
Long service awards (Note a)	749,435	576,884
	<u>749,435</u>	<u>576,884</u>

Other long term employee benefits provisions are based upon independent actuarial valuation conducted by Miller Kingsley (FRC/2012/PRO/NAS/00000002392) of Ernst & Young, Nigeria.

The weighted average liability duration for the plan is 6.58 years (2022: 6.32years).

- (a) The following analyses the movement in the present value of employee benefit obligations, expense recognized in the profit or loss, actuarial assumptions and other information relating to the benefit plans:

Movement in other long-term employee benefits:

In thousands of naira

	2023	2022
Balance, beginning of year	576,884	668,017
Benefits paid by the plan	(73,611)	(201,685)
Current service costs	58,147	60,898
Interest cost	73,116	71,465
Actuarial (gains)/losses – change in assumption	(23,765)	12,160
Actuarial losses/(gains) – experience adjustment	138,664	(33,971)
Balance, end of year	749,435	576,884

- (b) The following employee benefits related expense are recognised in the following line items in the statement of profit or loss and other comprehensive income:

	Cost of Sales	
<i>In thousands of naira</i>	2023	2022
Defined pension contribution expense	387,120	177,543
Long service awards expense	128,025	58,423
	<u>515,145</u>	<u>235,966</u>
	Administrative Expenses	
<i>In thousands of naira</i>	2023	2022
Defined pension contribution expense	357,220	158,415
Long service awards expense	118,137	52,129
	<u>475,357</u>	<u>210,544</u>

Notes to the financial statements (Continued)

21 Employee benefits (Continued)

<i>In thousands of naira</i>	Total	
	2023	2022
Long service awards expense	246,162	110,552
Defined pension contribution expense	744,340	335,958
	990,502	446,510

(c) The employee benefits related expense are recognised in the following line items in the Statement of cash flow:

<i>In thousands of naira</i>	2023	2022
Long service awards expense	246,162	110,552
Long service awards charge	246,162	110,552
Long service awards paid	(73,611)	(201,685)
Employee benefit paid	(73,611)	(201,685)

(d) Actuarial assumptions

Principal financial actuarial assumptions at the reporting date (expressed as weighted averages):

	2023	2022
	%	%
Discount rate	16.3	13.5
Future salary increases	15.0	13.0
Inflation rate	14.5	13.0

The inflation rate used in the assumption is forward-looking.

Mortality in service

Sample age	2023	2022
	Number of deaths in year out of 10,000 lives	Number of deaths in year out of 10,000 lives
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Withdrawal from service

Age band	2023	2022
	Rate (%)	Rate (%)
Less than or equal to 30	9	7
31-39	7	5
40-49	3	3
50-59	2	3

Assumptions regarding future mortality rates are based on published A67/70 statistics and mortality tables by Institute and Faculty of Actuaries in the UK.

Withdrawals/turnover

It is assumed that all the employees covered by the defined end of service benefit scheme would retire at age 60 (2022: age 60).

Notes to the financial statements (Continued)

21 Employee benefits (Continued)

(e) Sensitivity analysis

Below is the sensitivity analysis of the principal actuarial assumptions adopted in determining the employee benefit liabilities:

		Long service awards
<i>In thousands of naira</i>		
Base		746,112
	+1%	707,852
Discount rate	-1%	788,045
	+1%	761,305
Salary increase rate	-1%	732,022
	+1%	776,522
Inflation Rate	-1%	718,006
	Age rated up by one year	742,939
Mortality rate	Age rated down by one year	748,988

Risk exposure

Through its long service awards, the Company is exposed to a number of risks, the most significant of which are detailed below:

- i. Liquidity risk: The plan liabilities are not funded and as a result, there is a risk of the Company not having the required cash flow to fund future defined benefit obligations as they fall due.
- ii. Inflation risk: This is the risk of an unexpected significant rise/fall of market interest rates. A rise leads to a fall in long term asset values and a rise in liability values.
- iii. Life expectancy: The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.
- iv. Asset volatility: The plan liabilities are calculated using a discount rate set with reference to federal government bond yields. A decrease in the bond yields will increase plan liabilities.

(f) Maturity Profile of the Defined Benefit Obligation

	Long service awards
<i>In thousands of naira</i>	
Within the next 12 months (next annual reporting period)	142,010
Between 2 and 5 years	359,465
Between 5 and 10 years	1,659,553
Beyond 10 years	4,879,589
Total	7,040,617

Notes to the financial statements (Continued)

22 Share-based payment plan

The Group's ultimate holding company, Mondelez International, operates two Equity Incentive Schemes for its key management employees around the world known as the Deferred Stock Unit Agreement (DSU) and Non-Qualified Non-U.S. Stock Option Award Agreement (NSOA). Under the DSU agreement, Mondelez International awards Restricted Stock Units (RSU) to employees that entitle participants to receive freely disposable Mondelez International equity instruments at the end of a three-year restriction period. Under the NSOA agreement, participating employees receive the share appreciation in value i.e., the difference between the fair value of the options on exercise date and the price on grant date at the end of the three year vesting period. The fair value at grant date is determined using a Monte Carlo simulation model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option.

Performance stock units (PSU) is a long term incentive introduced in the year which rewards key management employees with Mondelez International stock when key company financial goals are achieved during a three-year performance period. Dividend equivalents are also paid for the number of shares awarded.

The model inputs for options granted during the year ended 31 December 2023 included:

- a. Exercise price: US\$65.36 (2022 – US\$64.65)
- b. Grant date: 2 March 2023 (2022 – 24 February 2022)
- c. Expiry date: 2 March 2033 (2022 – 24 February 2032)
- d. Expected volatility of underlying shares: 25% (2022 – 25%)
- e. Risk free interest rate: 3.85% (2022 – 2.05%) for NSOA and 4.45% (2022 – 1.93%) for PSU
- f. Expected dividend yield: 2% (2022 – 2%)

The fair value of the new shares awarded in 2023 as at grant date is \$12,339.

At 31 December 2023, Cadbury Nigeria Plc had one (1) (2022: one (1)) deserving management employees in its employment.

The Share-based payment is equity settled. The terms and conditions relating to the grants of the DSU and NSOA agreements are as follows:

Revenue	Number of instruments	Vesting conditions	Contractual life of rights
Shares awarded to senior management in 2018	5818	3 year's service	10 years
Shares awarded to senior management in 2019	5,990	3 year's service	10 years
Shares awarded to senior management in 2020	1,700	3 year's service	10 years
Shares awarded to senior management in 2021	1,340	3 year's service	10 years
Shares awarded to senior management in 2022	780	3 year's service	10 years
Shares awarded to senior management in 2023	920	3 year's service	10 years

The terms and conditions relating to the grants of the PSU agreements are as follows:

Revenue	Number of instruments	Vesting conditions	Contractual life of rights
PSU awards to senior management in 2020	1030	3 year's service	4 years
PSU awards to senior management in 2021	820	3 year's service	4 years
PSU awards to senior management in 2022	470	3 year's service	4 years
PSU awards to senior management in 2023	560	3 year's service	4 years

The movement in the share based payment account was as follows:

<i>In thousands of naira</i>	2023	2022
Cumulative amount at January 1	176,896	153,220
Recognized during the year	24,678	23,676
Cumulative amount at December 31	<u>201,574</u>	<u>176,896</u>

The share based payment expense recognised in the profit or loss for the year is ₦24.68 million (2022: ₦23.68 million).

23 Trade and other payables

<i>In thousands of naira</i>	2023	2022
Trade payables	8,617,109	7,991,385
Dividend payable (Note (23a))	500,283	455,377
Pension payable (Note (23b))	57,342	132
Accrued expenses*	3,717,021	3,488,489
Due to related parties (Note 25)	11,858,738	7,646,888
Contract liabilities**	279,997	401,896
Unpaid decapitalisation fund	500,013	500,751
	<u>25,530,503</u>	<u>20,484,918</u>

*Accrued expenses include VAT and Withholding taxes due to the Tax Authorities and other trade accruals.

**Contract liabilities relates to payments received for goods to be delivered at a future date. Revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year was ₦401.9 million (2022: ₦499.4 million).

The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 26.

Notes to the financial statements (Continued)

23 Trade and other payables (Continued)

(a) Dividend payable

Dividend payable represents unclaimed dividend from prior years. The movement on this account was as follows:

<i>In thousands of naira</i>	2023	2022
Balance, beginning of year	455,377	399,023
Dividend declared (excluding related parties dividend)	169,623	213,572
Payments made during the year	(124,717)	(157,218)
Balance, end of year	<u>500,283</u>	<u>455,377</u>

As at year end, a total cash amount of ₦152.7 million (2022: ₦166.88 million) was held with the Company's registrar, First Registrar representing unclaimed dividends.

(b) Pension payable

<i>In thousands of naira</i>	2023	2022
Obligation as at 1 January	132	7,197
Charge for the year	744,340	731,801
Payments	(687,130)	(738,866)
Obligation as at 31 December	<u>57,342</u>	<u>132</u>

(c) Reconciliation of changes in trade and other payables included in statement of cash flows

<i>In thousands of naira</i>	2023	2022
Movement in trade and other payables	5,045,585	2,454,883
VAT paid	2,040,168	1,762,145
Dividend paid	124,717	157,218
Dividend declared	(751,281)	(940,512)
	<u>6,459,189</u>	<u>3,433,734</u>

24 Borrowings

	2023	2022
Long term borrowings	-	7,640,590
Short term borrowings	43,214,805	16,219,870
	<u>43,214,805</u>	<u>23,860,460</u>

Movement in borrowings during the year is as follows:

<i>In thousands of naira</i>	2023	2022
As at 1 January	23,860,460	10,480,352
Additions to Intercompany loan	6,196,000	-
Additions - Import finance facilities	30,824,426	14,219,167
Repayment - Intercompany loan	(14,902,456)	-
Repayment - Import finance facilities	(31,449,577)	(1,883,566)
Accrued interest on intercompany loan	1,357,841	503,206
Exchange loss on Intercompany loan	6,896,616	541,301
Exchange loss on Import finance facilities	20,431,495	-
Balance as at 31 December	<u>43,214,805</u>	<u>23,860,460</u>

The US\$7.73million Intercompany loan represents the principal (\$7.47million) and accrued interest (\$0.26million) on the loan taken from Cadbury Schweppes Overseas Limited (2022: \$16.58 million (principal - \$15.00million and accrued interest - \$1.58million)). The loan has a tenure of twelve (12) months. The loan may be rolled over on the maturity for a further period of the earlier of twelve (12) months or at the termination of the agreement.

This loan is in the process of being converted into Equity (Refer to note 30).

The short term borrowings represents ₦7.79 million bank overdraft with one bank and US\$39.65million Import finance facilities with four banks priced at an interest rate range of SOFR+6% - SOFR+14% to meet the importation needs of the Company (2022:US\$40.29 million with four banks priced at an interest rate range of LIBOR+6% and LIBOR+7% respectively). The facilities have a tenure of 365days that renews automatically at the option of the Company.

25 Related parties

Amount due from related parties

<i>In thousands of naira</i>	2023	2022
Cadbury Ghana Limited	485,335	164,895
Mondelez South Africa (Pty) Limited	87,457	208,035
Mondelez Europe Services	133,761	59,089
Chapelat Swaziland (Pty)	-	7,254
	<u>706,553</u>	<u>439,273</u>
Impairment provision	(1,235)	(11,009)
	<u>705,318</u>	<u>428,264</u>

Notes to the financial statements (Continued)

25 Related parties (Continued)

Amounts due to related parties

In thousands of naira

	2023	2022
Mondelez Egypt Foods SAE (MEF)	294,992	83,784
Cadbury Ghana Limited	2,831,953	2,306,491
Mondelez South Africa (Pty) Ltd	216,901	65,283
Mondelez Pakistan Limited (MP)	263,747	133,313
Mondelez India Foods Pvt Ltd	435,553	110,803
Mondelez UK R&D Limited	60,353	28,954
Reading Scientific Services	7,042	4,176
Cadbury Schweppes Overseas Ltd	2,026,265	1,519,338
Mondelēz International AMEA Pte Ltd	4,647,168	3,394,746
Mondelez Europe GmbH CH - Switzerland	787,337	-
Mondelez Global LLC	22,733	-
Mondelez Bahrain Biscuits W.L.L.	264,694	-
	<u>11,858,738</u>	<u>7,646,888</u>

Of the total amount due to related parties, an amount of ₦3.9 billion (2022: ₦2.98 billion) represents technical service fees due to Mondelez International AMEA PTE Ltd.

(a) Parent and Ultimate holding companies

The Company is a subsidiary of Mondelēz International incorporated in the United States of America. Mondelēz International, through Cadbury Schweppes Overseas Limited held 74.97% of the issue and fully paid share capital of the Company as at 31 December 2023 (2022: 74.97%). Amount due to Cadbury Schweppes Overseas Ltd at the end of the period was ₦2,026.3 million for Dividend (2022: ₦1,519.3 million for 2019, 2020 and 2021 dividend).

(b) Related party transactions

The Company entered into the following transactions with the under-listed related parties during the year:

(i) Mondelēz International AMEA PTE Ltd (MIAPL)

The Company has the exclusive rights to manufacture, distribution and marketing of Mondelēz's international brands in Nigeria and also provide services. In consideration for this, royalties, technical know-how and management services are paid to Mondelēz International AMEA PTE Ltd.

The Company made an accrual of ₦302.9 million & ₦949.6 million for FY2023 royalties and technical know-how and management service fees respectively. Amount due to MIAPL at the end of the period was ₦4647.2 million (2022: ₦3,394.7 million).

(ii) Cadbury Ghana Limited (CGL)

The Company sells confectionery to CGL and in turn purchases 3-in-1 Hot chocolate from CGL. Sales during the period amounted to ₦300.5 million (2022: ₦791.6 million), Purchases during the period was ₦15,732.3 million (2022: ₦9,088.4 million) and other transactions for the period amounted to ₦5 million (2022: ₦10.9 million). The net amount due to CGL at the end of the period was ₦2,346.6 million (2022: ₦2,141.6 million). The Company and CGL are subsidiaries of the same parent company.

(iii) Mondelez Pakistan Limited (MP)

The Company shares the same parent company with MP. Transactions during the period is Nil (2022: Nil) representing mainly salary recharges to the company for expatriates in its employment. Amount due to MP at the end of the period was ₦263.7 million (2022: ₦133.3 million) as a result of FX devaluation in Nigeria.

(iv) Mondelez South Africa (Pty) Limited (KFSA)

The Company shares the same parent company with KFSA. Transactions during the period amounted to ₦260.5 million (2022: ₦329.7 million) representing mainly salary recharges to/from KFSA. The net amount due to KFSA at the end of the period was ₦129.4 million (2022: ₦142.8 million).

(v) Mondelez Egypt Foods SAE (MEF)

The Company purchases certain Gum product from MEF during the period which it sells and market to its consumers. Purchases during the period was ₦1307.9 million (2022: ₦472.8 million). Amounts due to MEF at the end of the period was ₦295 million (2022: ₦83.8 million). The Company shares the same parent company with MEF.

(vi) Mondelez Europe Services GmbH (MES)

The Company shares the same parent company with MES. Transactions during the period amounted to ₦209.7 million (2022: ₦163.0 million) representing mainly research, development and quality (RD&Q) recharges from the company to MES. Amount due from MES at the end of the period was ₦133.8 million (2022: ₦59.1 million).

(vii) Reading Scientific Services (RSS)

The Company shares the same parent company with RSS. Transactions during the period was ₦3.9 million (2022: ₦5.7 million) representing mainly research, development and quality (RD&Q) recharges from RSS to the company. Amount due to RSS at end of the period was ₦7.04 million (2022: ₦4.2 million).

Notes to the financial statements (Continued)

25 Related Parties (Continued)

(viii) Chapelat Swaziland (Pty) (CH)

The Company shares the same parent company with CH. Transactions during the period is Nil (2022: ₦49.1 million) representing mainly salary recharges from the company to CH. Amount due from CH at the end of the period is Nil (2022: ₦7.3 million).

(ix) Mdlz India Foods Pvt Ltd (MIF)

The Company shares the same parent company with MIF. Transactions during the period amounted to ₦167.1 million (2022: ₦103.6 million) representing mainly salary recharges to the company for expatriates in its employment. Amount due to MIF at the end of the period was ₦435.6 million (2022: ₦110.8 million).

(x) Mondelez UK R&D Limited (MU)

The Company shares the same parent company with MU. Transactions during the period is Nil (2022: ₦25.7 million) representing mainly research & development recharges from MU to the company. Amount due to MU at end of the period was ₦60.4 million (2022: ₦29.0 million).

(xi) Mondelez Bahrain Biscuits W.L.L. (MBB)

The Company shares the same parent company with MBB. The Company purchases chocolates and Oreo biscuit from Mondelez Bahrain Biscuits. Transactions during the period is ₦1691.6 million (2022: Nil). Amount due to MBB at end of the period was ₦264.7 million (2022: Nil).

(xii) Mondelez Europe GmBH CH- Switzerland

The Company shares the same parent company with Mondelez Switzerland. The Company purchases raw materials from Mondelez Europe GmbH. Transactions during the period is ₦787.3 million (2022: Nil). Amount due to MBB at end of the period was ₦787.3 million (2022: Nil).

(xiii) Mondelez Global LLC

The Company shares the same parent company with Mondelez Global. Mondelez Global LLC provides application enhancement and information management system service to the company. Transaction during the period is ₦19.5 million represent mainly recharges to the company. Amount due to Mondelez Global LCC at the end of the period was ₦22.7 million (2022: Nil)

(c) Transactions with executive management personnel and executive management personnel compensation

Key Management personnel include members of the board and executive management. In addition to their salaries, the Company also provides non-cash benefits to Executive Directors and members of executive management, and contributes to a post-employment defined contribution plan on their behalf. In accordance with the terms of the plan, Executive Directors and other executive management retire at age 60 and if qualified, are entitled to receive gratuity lump sum amount from Cadbury Nigeria Plc.

Executive Directors and other executive management, if qualified, also participate in the Company's long service awards programme. This programme awards a certain sum of cash benefit which accrues to the recipient on graduated periods of uninterrupted service.

Executive management personnel compensation comprised:

In thousands of naira

	2023	2022
Short-term employee benefits	662,392	645,875
Employer pension contribution	33,347	30,745
	695,739	676,620

None of the Executive management personnel received Long service award during the year (2022: ₦3.73m). There were no other transactions with key management personnel (2022: Nil).

26 Financial risk management and fair values

A Risk management framework

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

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

Notes to the financial statements (Continued)

A Risk management framework (continued)

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

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk
- Capital management

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

(a) Credit risk

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

(i) Exposure to credit risk

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

<i>In thousands of naira</i>	2023	2022
Cash and cash equivalents (Note 19)	20,455,005	27,447,778
Trade receivables (Note 17)	5,058,314	3,072,916
Other receivables (Note 17)	1,161,401	1,480,256
Due from related parties (Note 25)	705,318	428,264
	27,380,038	32,429,214

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings when available, and in some cases bank references.

Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Risk Management Committee; these limits are reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

More than 94% (2022: 94%) of the Company's customers have been transacting with the Company for over four (4) years, however, impairment loss has been recognized against these customers. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to the Company's distributors. Customers that are graded as "high risk" are placed on a restricted customer list and monitored by the Risk Management Committee, and future sales are made on a prepayment basis.

The Company establishes an allowance for impairment at each reporting date using the expected credit losses. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. This is based on groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. The weighted average loss rate during the year was 0.09% (2022: 0.01%) for trade receivables from customers and 1.12% (2022: 2.50%) for related party receivables.

In computing the loss rate on trade receivables from customers and related parties, historical payment patterns and default rate was incorporated, together with current information as well as forward-looking macro economic factors such as inflation rate and GDP growth rate.

Notes to the financial statements (Continued)

26 Financial risk management and fair values (continued)

A Risk management framework (continued)

Trade receivables (Continued)

The Company does not have any significant concentration of credit risk.

The aging of trade receivables at the reporting date was:

Gross amount

In thousands of naira

	2023	2022
Not past due 0 - 30 days	5,067,140	3,075,477
Past due 31 - 90 days	-	-
Past due 91 - 180 days	-	-
More than 180 days	-	-
	<u>5,067,140</u>	<u>3,075,477</u>

Impairment

In thousands of naira

	2023	2022
Not past due 0-30 days	8,826	2,561
Past due 31 - 90 days	-	-
Past due 91 - 180 days	-	-
More than 180 days	-	-
	<u>8,826</u>	<u>2,561</u>

Carrying amount

In thousands of naira

	2023	2022
Not past due 0-30 days	5,058,314	3,072,916
Past due 31 - 90 days	-	-
Past due 91 - 180 days	-	-
More than 180 days	-	-
	<u>5,058,314</u>	<u>3,072,916</u>

The aging of related parties receivables at the reporting date was:

Gross amount

In thousands of naira

	2023	2022
Not past due 0 - 30 days	706,553	439,273
Past due 31 - 90 days	-	-
Past due 91 - 180 days	-	-
More than 180 days	-	-
	<u>706,553</u>	<u>439,273</u>

Impairment

In thousands of naira

	2023	2022
Not past due 0-30 days	1,235	11,009
Past due 31 - 90 days	-	-
Past due 91 - 180 days	-	-
More than 180 days	-	-
	<u>1,235</u>	<u>11,009</u>

Carrying amount

In thousands of naira

	2023	2022
Not past due 0-30 days	705,318	428,264
Past due 31 - 90 days	-	-
Past due 91 - 180 days	-	-
More than 180 days	-	-
	<u>705,318</u>	<u>428,264</u>

Movement in impairment provision

	2023	2022
At 1 January	13,570	17,775
Write-back of impairment for receivables	(3,509)	(4,205)
At 31 December	<u>10,061</u>	<u>13,570</u>

The analysis of impairment provision is as follows:

Impairment provision on trade receivables	8,826	2,561
Impairment provision on related party receivables	1,235	11,009
	<u>10,061</u>	<u>13,570</u>

The adjusted loss rate for the impairment assessment of trade receivables and related parties receivables above is 0.17% (2022: 0.08% and 2.51%).

Notes to the financial statements (Continued)

26 Financial risk management and fair values (Continued)

The credit quality of trade and other receivables is assessed based on a credit policy established by the Risk Management Committee. The Company has monitored customer credit risk, by grouping trade and other receivables based on their characteristics. An analysis of the credit quality of trade and other receivables not impaired is as follows:

Carrying amount

In thousands of naira

	2023	2022
Four or more years trading history with the Company	3,911,606	2,625,332
Less than four years trading history with the Company	1,146,708	447,584
	<u>5,058,314</u>	<u>3,072,916</u>

Amounts determined to be uncollectible are written off after proper authorization. For debtors in bankruptcy, an allowance for the entire receivable is established and the adequacy of the allowance is reviewed at least quarterly.

The Company considers a trade receivable to be in default when contractual payments are over 365 days past due. However, in certain cases, the Company may also consider a receivable to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

Cash and cash equivalents:

The Company held cash and cash equivalents of ₦25,455 million at 31 December 2023 (2022: ₦27,448 million), which represents its maximum credit exposure on these assets. The expected credit loss on cash and cash equivalents was not recognised as it was immaterial.

An analysis of the long term credit ratings of counterparties where cash and cash equivalents are held was carried out using Fitch/Agusto/Standard & Poor's rating scale. All counterparties are of good credit ratings as shown below:

In thousands of naira

Rating Agency	Ratings	2023	2022
Fitch	A	-	9,169,372
	A+	523,611	375,270
	AAA	973,650	938,223
	AA-	-	4,591,843
	B	-	-
	BBB	-	922
	BBB+	-	5,535,693
	B-	10,729,268	-
Agusto	Aa+	227,876	1,822,770
	A-	8,000,600	-
	Bbb+	-	5,013,234
Standard & Poor's	B-	-	451
		<u>20,455,005</u>	<u>27,447,778</u>

(b) *Liquidity risk*

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

The Company's products are valued using the actual costs, which assist it in monitoring cash flow requirements and optimizing its cash return on investments. However, adjustments are made to align the costs recognised to the actual costs incurred during the period. The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the succeeding 60 days. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

At 31 December 2023, the expected cash flows from trade and other receivables maturing within two months were ₦5,058 million (2022: ₦3,073 million). This excludes potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Company maintains the following lines of credit:

- US\$39.65 million Import finance facilities with four banks priced at an interest rate range of SOFR+6% - SOFR+14% to meet the importation needs of the Company (2022:US\$40.29 million with four banks priced at an interest rate of LIBOR+6% and LIBOR+7% respectively). The facilities have a tenure of 365days that renews automatically at the option of the Company.

Analysis of non-derivative financial liabilities

In thousands of naira

	2023	2022
Trade payables	8,617,109	7,991,385
Dividend payable	500,283	455,377
Accrued expenses	3,717,021	3,488,489
Due to related parties	11,858,738	7,646,888
Short and long term borrowings	43,214,805	23,860,460
Lease liabilities	12,494	13,100
	<u>67,920,450</u>	<u>43,455,699</u>

Notes to the financial statements (Continued)

26 Financial risk management and fair values (Continued)

(c) Market risk

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

(i) Currency risk

The Company is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Company, primarily the US dollars (USD), Great British pounds (GBP) and EUR. The Company's policy is to ensure that its net exposure in respect of monetary assets and liabilities denominated in foreign currencies are kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

The summary quantitative data about the Company's exposure to currency risk as reported to the Management of the Company based on its risk management policy was as follows:

	2023	2022
	GBP	GBP
Trade receivables*	-	-
Trade payables**	(70,758)	(103,572)
	<u>(70,758)</u>	<u>(103,572)</u>
	2023	2022
	USD	USD
Trade receivables*	1,599,009	1,301,186
Cash and cash equivalent	1,224,516	2,779,839
Trade payables**	(6,413,017)	(23,788,184)
	<u>(3,589,492)</u>	<u>(19,707,159)</u>
	2023	2022
	EUR	EUR
Trade payables**	(1,375,956)	(3,867,606)
	<u>(1,375,956)</u>	<u>(3,867,606)</u>

* This amount relates to receivables from intercompany partners for the sales of finished goods and also sales of Cocoa butter and cake to third party export customers.

** This amount relates to payments to intercompany partners for the purchase of finished goods, recharges and invoices for other services rendered to Cadbury Nigeria Plc as well as a number of other foreign suppliers.

The following significant exchange rates applied during the year:

	Average Rate	
	2023	2022
Naira	819.77	529.09
GBP 1	656.06	428.70
USD 1	710.13	451.96
EUR 1		
	Reporting date spot rate	
	2023	2022
Naira	1160.64	556.81
GBP 1	911.68	460.82
USD 1	1006.38	493.33
EUR 1		

The above exchange rates are scaled from Bloomberg as at 29th December 2023.

(ii) Sensitivity analysis

A weakening of the naira, as indicated below, against the GBP or the USD or the EUR would have decreased equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest and inflation rates, remain constant and ignores any impact of forecast sales and purchases.

31 December 2023 In thousands of naira	Equity	Profit/(Loss)
GBP (60 percent increase)	(49,275)	(49,275)
USD (60 percent increase)	(1,963,479)	(1,963,479)
EUR (60 percent increase)	(830,840)	(830,840)
GBP (60 percent decrease)	49,275	49,275
USD (60 percent decrease)	1,963,479	1,963,479
EUR (60 percent decrease)	830,840	830,840

Notes to the financial statements (Continued)

26 Financial risk management and fair values (Continued)

(ii) Sensitivity analysis (continued)

31 December 2022

In thousands of naira

	<u>Equity</u>	<u>Profit/(loss)</u>
GBP (10 percent increase)	(5,163)	(5,163)
USD (10 percent increase)	(908,135)	(908,135)
EUR (10 percent increase)	(215,352)	(215,352)
GBP (10 percent decrease)	5,163	5,163
USD (10 percent decrease)	908,135	908,135
EUR (10 percent decrease)	215,352	215,352

(d) Interest rate risk

Interest rate risk results from the cash flow and financial performance uncertainty arising from interest rate fluctuations. Financial assets and liabilities affected by interest rate fluctuations include bank and cash deposits and interest-bearing loans. Cash deposits comprise call deposits and placed on a fixed term basis. Interest bearing loans comprise loans from group companies and import facilities with four banks. At the reporting date, the company's cash deposits were either accessible immediately or had maturity dates up to six months. The interest rates earned on these deposits and loans closely approximate the market rates prevailing. Should the interest rate on the interest-bearing loans change by 100 basis points, the net impact on profit or loss for 2023 would be ₦1.4 million(2022: ₦0.5 million) for the company.

(e) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity. Management also monitors the level of dividends to all shareholders.

The Intercompany loan payable to the company's majority shareholder was converted into shares subsequent to year end. Refer to Note 31 for going concern considerations by the Board of Directors.

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

<i>In thousands of naira</i>	<u>2023</u>	<u>2022</u>
Total debt	43,214,805	23,860,460
Less: Cash and Cash equivalents	(20,455,005)	(27,447,778)
	<u>22,759,800</u>	<u>(3,587,318)</u>
Total Equity	(6,513,678)	13,302,629
Net debt to equity ratio	<u>(3.49)</u>	<u>(0.27)</u>

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

B Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in statement of financial position, are as follows:

Financial assets

	<u>2023</u>	<u>2022</u>
<i>In thousands of naira</i>	<u>Carrying amount</u>	<u>Carrying amount</u>
Financial assets at amortised cost		
Trade receivables	5,058,314	3,072,916
Other receivables	1,161,401	1,480,256
Due from related parties	705,318	428,264
Cash and cash equivalent	20,455,005	27,447,778
	<u>27,380,038</u>	<u>32,429,214</u>

Financial liabilities

	<u>2023</u>	<u>2022</u>
<i>In thousands of naira</i>	<u>Carrying amount</u>	<u>Carrying amount</u>
Trade payables	8,617,109	7,991,385
Dividend payable	500,283	455,377
Due to related parties	11,858,738	7,646,888
Trade and other payables	20,976,130	16,093,650
Lease liabilities	12,494	13,100
Short term borrowings	43,214,805	16,219,870
Long term borrowings	-	7,640,590
	<u>64,203,429</u>	<u>39,967,210</u>

Trade and other receivables, bank balances dividend payables and trade and other payables are the Company's short term financial instruments. Accordingly, management believes that their fair values are not expected to be materially different from their carrying values.

Notes to the financial statements (Continued)

26 Financial risk management and fair values (Continued)

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2023	Carrying Amount	Contractual cash flows	12 months or less	Over 12 months
<i>In thousands of naira</i>				
Trade and other payables	20,976,130	(20,976,130)	(20,976,130)	-
Lease liabilities	12,494	(12,494)	(10,747)	(2,653)
Short term borrowings	43,214,805	(43,214,805)	(43,214,805)	-
	<u>64,203,429</u>	<u>(64,203,429)</u>	<u>(64,201,682)</u>	<u>(2,653)</u>
31 December 2022	Carrying Amount	Contractual cash flows	12 months or less	Over 12 months
<i>In thousands of naira</i>				
Trade and other payables	19,582,139	(19,582,139)	(19,582,139)	-
Lease liabilities	13,100	(13,100)	(606)	(13,938)
Short term borrowings	16,219,870	(16,219,870)	(16,219,870)	-
Long term borrowings	7,640,590	(7,640,590)	-	(7,640,590)
	<u>43,455,699</u>	<u>(43,455,699)</u>	<u>(35,802,615)</u>	<u>(7,654,528)</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

27 Leases

The Company leases comprises lease of four categories of buildings with an average lease term of four(4) years. The company incremental borrowing rate is 12.27%.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

a Right-of-use (ROU) Assets

<i>In thousands of naira</i>	Building	Total
Cost		
Balance at 1 January 2023	50,856	50,856
Additions	15,180	15,180
Balance at 31 December 2023	<u>66,036</u>	<u>66,036</u>
Balance at 1 January 2022	45,060	45,060
Additions	34,644	34,644
Lease termination	(30,698)	(30,698)
Modification	1,850	1,850
Balance at 31 December 2022	<u>50,856</u>	<u>50,856</u>
Accumulated depreciation		
Balance at 1 January 2023	11,883	11,883
Depreciation for the year	18,372	18,372
Balance at 31 December 2023	<u>30,255</u>	<u>30,255</u>
Balance at 1 January 2022	23,730	23,730
Depreciation for the year	18,238	18,238
Lease termination	(30,698)	(30,698)
Modification	613	613
Balance at 31 December 2022	<u>11,883</u>	<u>11,883</u>
Carrying amounts		
At 31 December 2023	<u>35,781</u>	<u>35,781</u>
At 31 December 2022	<u>38,973</u>	<u>38,973</u>

Notes to the financial statements (Continued)

b Lease liabilities

	2023	2022
As at 1 January	13,100	4,997
Additions	15,180	34,644
Accretion of interest	1,144	621
Modification	-	1,237
Gain on lease modification	-	(1,219)
Payments	(16,930)	(27,180)
As at 31 December	<u>12,494</u>	<u>13,100</u>
Current	10,746	606
Non-current	<u>1,748</u>	<u>12,494</u>
	<u>12,494</u>	<u>13,100</u>

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	18,372	15,851
Interest expense on lease liabilities	1,144	1,046
Expense relating to short-term leases (included in cost of sales)	-	58,050
Expense relating to leases of low-value assets (included in administrative expenses)	19,419	49,665
Total amount recognised in profit or loss	<u>38,935</u>	<u>124,612</u>

28 Contingent assets and contingent liabilities

The Company was awarded the sum of ₦326.9 million, with interest, in a court case ruling on a claim filed in 2012 relating to a debt owed by a former distributor. All the garnishees holding accounts for the judgment debtor have disclosed a total sum of ₦0.2 million leaving an outstanding sum of ₦326.7 million (without the accrued interest) as the judgment debt. The Company has received payment of ₦0.2 million. The timing of the payment from the judgement debtor remains uncertain given the lack of funds in the garnishees holding accounts. Hence, no assets has been recognised in this regard (2022: Nil).

On the 31st October 2023, Judgement was ruled against Cadbury Nigeria Plc in a court case relating to alleged repair services on a Company motor vehicle. The Company is working on an appeal in the matter but there is a likelihood that the case will result in a settlement of ₦2.5 million, although the timing is uncertain as at year end, accordingly, no provision has been made in the regard (2022: Nil).

29 Information on reportable segments

(i) Business segments

The Company has three reportable business segments summarized as follows:

Segment	Description
Refreshment Beverages	This includes the manufacturing and sale of Bournvita and 3-in-1 Hot Chocolate.
Confectionery	This includes the manufacturing and sale of Tom Tom, Buttermint, Candy Caramel, Candy Coffee and Clorets gum.
Biscuit	This includes the production and sale of Bournvita Biscuit.
Intermediate Cocoa Products	This includes the manufacturing and sale of cocoa powder, cocoa butter, cocoa liquor and cocoa cake.

Information regarding each reportable business segment is shown below:

Revenue	2023	2022
<i>In thousands of naira</i>		
Refreshment beverages	53,870,343	38,385,112
Confectionery	20,985,525	15,144,634
Biscuit	1,233,896	277,285
Intermediate cocoa products	4,289,193	1,405,586
	<u>80,378,957</u>	<u>55,212,617</u>

Depreciation, amortisation and impairment

<i>In thousands of naira</i>	2023	2022
Refreshment Beverages	1,128,514	1,033,554
Confectionery	439,620	407,783
Biscuit	25,848	7,466
Intermediate cocoa products	89,853	37,847
	<u>1,683,835</u>	<u>1,486,650</u>

Notes to the financial statements (Continued)

29 Information on reportable segments (Continued)

Net finance (cost)/income

In thousands of naira

	2023	2022
Refreshment beverages	(24,146,949)	767,768
Confectionery	(9,406,593)	302,919
Biscuit	(553,085)	5,546
Intermediate cocoa products	(1,922,596)	28,114
	<u>(36,029,223)</u>	<u>1,104,347</u>

(Loss)/profit before taxation

In thousands of naira

	2023	2022
Refreshment Beverages	(18,870,972)	902,685
Confectionery	(7,351,304)	356,149
Biscuit	(432,238)	6,521
Intermediate cocoa products	(1,502,520)	33,055
Total per profit or loss account	<u>(28,157,034)</u>	<u>1,298,410</u>

Assets and liabilities by reportable segments are not presented to the Chief Operating Decision Maker (the Board of Directors). Consequently, information on segment assets and liabilities has not been presented.

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

All the Company's assets are located in Nigeria.

(ii) Geographical segments

The Company has two reportable geographical segments summarised as follows:

Segment	Description
Domestic sales	This comprises sales within Nigeria.
Export sales	This comprises sales to countries outside of Nigeria mainly in Africa and Europe.

Information regarding the operations of each reportable geographical segment is shown below:

<i>In thousands of naira</i>	2023	2022
Domestic sales	73,605,300	53,045,300
Export sales	6,773,655	2,167,317
	<u>80,378,955</u>	<u>55,212,617</u>

30 Going concern

The Company incurred a net loss of ₦19.1 billion (2022: ₦0.5 billion net profit) for the year ended 31 December 2023 and as at that date, the Company's total liabilities exceeded its total assets by ₦6.5 billion (2022: net asset of ₦13.3 billion).

In 2023, the Company's revenue grew by 46%, an increase of ₦25.2 billion and the operating profit increased by 3,957% from ₦194 million in December 2022 to ₦7,872 million in December 2023. The Company generated positive cash from operating activities of ₦5.2 billion (2022: negative operating cashflows ₦(21.9) million). The Company has continued to invest in Capital Expenditure to improve and expand its existing lines.

Despite the strong operational performance, the net profit was impacted by the significant devaluation of the Nigerian Naira. The Company believes that as macroeconomic situation stabilizes, the same will positively impact the overall economy as well as the Company operating results. The Company has taken a robust gross margin improvement and cost management initiatives to address the significant forex exposure, volatility and cost inflation.

In addition to the above, to further address the going concern issues, the Directors have taken the following steps:

- The Shareholders of Cadbury Nigeria PLC held an extraordinary general meeting of the Company on 8th February 2024 and resolved to convert the interCompany loan of \$7.72 million owed by the Company to Cadbury Schweppes Overseas Limited ("CSOL") to equity by the allotment of 402,082,657 ordinary shares of 50kobo to CSOL, each shares to rank pari passu in all respects with the existing ordinary shares in the capital of the Company at the price of ₦17.50 per share being the share price of the Company as at close of trading on 27th December 2023. This will increase shareholder funds and the net assets position of the Company by ₦7,038 billion.
- On 15 January 2024, the Board of Directors approved the intercompany loan of \$40 million from CSOL to support the repayment of overdue FX loans owed from local banks. The Intercompany loan was used to repay overdue FX loans from local banks. On 28 January 2024, the Board of Directors negotiated a debt forgiveness of \$20 million from CSOL on the \$40 million received on 15 January 2024. The debt forgiveness was necessary due to the significant devaluation of the Nigerian Naira from N911.68 in December to N1400+ in January 2024 against the US Dollar. This debt forgiveness will be used to offset the impact of the further devaluation of the Naira on Company's FX liabilities.

The Company remains committed to serving its Nigerian consumers with its world class products. Specific actions are being undertaken by the management to continue to improve the overall profitability of the Company in a very difficult operating environment.

The financial statements of Cadbury Nigeria Plc have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future as the Company has a continuing support from her parent Company, Cadbury Schweppes Overseas Limited and her ultimate holding company, Mondelez

31 Events after the reporting date

There are no other significant subsequent events besides those disclosed in Note 30, which could have had a material effect on the Company's financial position as at 31 December 2023 and its operating results as at that date, that have not been adequately provided for or disclosed in the financial statements.

Other National Disclosures

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of The Nigerian Stock Exchange 2015 (Issuers Rule), Cadbury Nigeria Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the year.

Value added statement

for the year ended 31 December 2023

In thousands of naira

	2023	%	2022	%
Revenue	80,378,955		55,212,617	
Interest income	2,262,684		1,608,174	
Other income	72,590		81,530	
Brought-in-materials and services				
-Local	(55,086,992)		(42,319,020)	
-Imported	(7,807,456)		(5,997,858)	
Value added	<u>19,819,781</u>	<u>100</u>	<u>8,585,443</u>	<u>100</u>
Applied as follows:				
Employees as salaries, wages and other staff costs	6,601,628	33	5,800,382	68
Providers of capital as interest on borrowings	38,291,907	193	-	-
Government as taxes	(9,067,330)	(46)	715,299	8
Provide for the maintenance of fixed assets as:				
- Depreciation	1,642,222	8	1,480,389	17
- Amortisation	41,613	1	6,262	-
- Impairment	1,399,445	7	-	-
Retained in the business as:				
-To (reduce)/augment the reserves	(19,089,704)	(96)	583,111	7
Value added	<u>19,819,781</u>	<u>100</u>	<u>8,585,443</u>	<u>100</u>

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

Five-Year Financial Summary

<i>In thousands of naira</i>	2023	2022	2021	2020	2019
Statement of comprehensive income:					
Revenue	80,378,955	55,212,617	42,372,034	35,407,323	39,326,807
(Loss)/profit before income tax	(28,157,034)	1,298,410	1,097,917	408,065	1,538,877
Income tax credit/(expense)	9,067,330	(715,299)	(648,205)	523,762	(468,032)
(Loss)/profit for the year	<u>(19,089,704)</u>	<u>583,111</u>	<u>449,712</u>	<u>931,827</u>	<u>1,070,845</u>
Statement of financial position:					
Non-current assets	23,133,319	14,116,779	13,052,713	12,826,823	13,627,896
Current assets	<u>40,297,701</u>	<u>45,596,905</u>	<u>30,635,578</u>	<u>20,383,861</u>	<u>15,174,042</u>
	<u>63,431,020</u>	<u>59,713,684</u>	<u>43,688,291</u>	<u>33,210,684</u>	<u>28,801,938</u>
Funds employed:					
Share Capital	939,101	939,101	939,101	939,101	939,101
Share premium	272,344	272,344	272,344	272,344	272,344
Other reserves	3,436,348	3,436,348	3,436,348	3,436,348	3,436,348
Share based payment reserve	201,574	176,896	153,220	117,359	89,893
Retained (loss)/earnings	<u>(11,363,045)</u>	<u>8,477,940</u>	<u>8,835,341</u>	<u>8,784,371</u>	<u>8,828,549</u>
Shareholders' fund	<u>(6,513,678)</u>	<u>13,302,629</u>	<u>13,636,354</u>	<u>13,549,523</u>	<u>13,566,235</u>
Current liabilities	69,193,515	37,088,400	22,024,707	14,474,694	9,901,393
Non-current liabilities	<u>751,183</u>	<u>9,322,655</u>	<u>8,027,230</u>	<u>5,186,467</u>	<u>5,334,310</u>
	<u>63,431,020</u>	<u>59,713,684</u>	<u>43,688,291</u>	<u>33,210,684</u>	<u>28,801,938</u>
Per share data:					
Basic (loss)/earnings per share	<u>(1,016)</u>	<u>31</u>	<u>24</u>	<u>50</u>	<u>57</u>

Cadbury's Distributors

- A.D.Basharu & Sons Nig. Ltd.
- Abubakar Adamu Integrated Services Nig. Ltd.
- A.A Abubakar Abdulrazak Ventur
- Akod Agencies & Manufacturing Co.
- Asko Kem Global Limited
- Aromolaran Sola Enterprises
- Anazemma Global Enterprises Nig Ltd
- Aye-Tonis Stores
- Basnek Investment Nigeria Ltd
- Basrose Stores Ltd.
- BG Usman Limited
- C.I. Obioha & Sons Ltd.
- Cycrest Limited
- Decapolis Limited
- Ejitex Mazi Jr Nigeria Ltd
- Chazek Company Nigeria Ltd.
- Cupa Dynamic Ventures
- Dynamic Edge Business Ventures
- E. H Okika Nigeria Limited
- Egap Glory Ventures
- Emmanuel Bakeries Limited
- F.M.Ige Mrs
- Fabeto And Company
- Fatarik Business Limited
- Fishmongers Ltd
- Franco International (West Africa) Limited
- Hamisu Investment Company
- Hammalat Business Ventures
- Happy Place International
- Holw El Sham Co Foods
- Iya Eskay Nig Ltd
- J.O. Adebiyi & Sons Nig. Ltd.
- Jives Nigeria Limited
- Joc-Dona Investment Limited
- Kingrich Nigeria Limited
- Lawzion Merchandise Ent.
- M. Elejire & Sons Nig. Ltd.
- Maybat Intergrated Network Nig. Ltd.
- Mazafmini Depot Limited
- Mertesacker Nigeria Limited
- Metcalf's Properties
- Mofad Store Nigeria Limited
- Mosadosu Nigeria Ltd.
- Nna-Nna & Sons Nig. Ltd.
- Nze Sam and Associates Trading Company Nigeria Ltd
- N. V. Theobroma
- Ozydates Nigeria Limited
- Olayiwola Stores
- Products Distribution Network Ltd.
- Ronkhalid Nig Ltd
- Roswill Enterprises Nigeria
- Rukbom Oluwakemi Nigeria Limited
- S.C. Okafor Nigeria Limited.
- Saheed Olayiwola And Sons Limited
- Sammani General Merchants Nig Ltd
- Samogy & Sons Enterprises
- Superbrandz Global Distribution Ltd
- Saint Clemmy Ventures
- Serifat O. Adeleye Stores
- Tijenny Global Resources Ltd.
- The Net Cafe
- Tripple Olas Unique Ventures
- Wonuola Super Store