



Berger Paints Nigeria Plc
Unaudited Consolidated and Separate Financial Statements
For the First Quarter ended 31 March, 2026

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Corporate Information

Board of Directors:	<table border="0"> <tr><td>Abi Ayida</td><td>-</td><td>Chairman</td></tr> <tr><td>Adekunle Olowokande</td><td>-</td><td>Non - Executive Director</td></tr> <tr><td>Ogechi Iheanacho</td><td>-</td><td>Non - Executive Director</td></tr> <tr><td>Erejuwa Gbadebo</td><td>-</td><td>Independent Non - Executive Director</td></tr> <tr><td>Aisha Umar</td><td>-</td><td>Independent Non - Executive Director</td></tr> <tr><td>Alaba Fagun</td><td>-</td><td>Group Managing Director</td></tr> </table>	Abi Ayida	-	Chairman	Adekunle Olowokande	-	Non - Executive Director	Ogechi Iheanacho	-	Non - Executive Director	Erejuwa Gbadebo	-	Independent Non - Executive Director	Aisha Umar	-	Independent Non - Executive Director	Alaba Fagun	-	Group Managing Director
Abi Ayida	-	Chairman																	
Adekunle Olowokande	-	Non - Executive Director																	
Ogechi Iheanacho	-	Non - Executive Director																	
Erejuwa Gbadebo	-	Independent Non - Executive Director																	
Aisha Umar	-	Independent Non - Executive Director																	
Alaba Fagun	-	Group Managing Director																	
Company Secretary/Legal Adviser	Olajide Oyewole LLP (DLA Piper Africa, Nigeria)																		
Registered Office:	102, Oba Akran Avenue, Ikeja, Industrial Estate P.M.B. 21052, Ikeja, Lagos.																		
Contact Details	Mobile: +234 810 216 4586 Email: customercare@bergerpaintnig.com Website: www.bergerpaintsnig.com																		
Social Media Accounts	Facebook: www.facebook.com/BergerPaintsNigeriaPlc LinkedIn: www.linkedin.com/company/berger- Twitter: www.twitter.com/BergerPaintsNg Instagram: You Tube: www.youtube.com/channel/UCD_T-Wid299NWbfHxA4rGXg																		
Investors Relation	Berger Paints Nigeria Plc. has a dedicated investors' portal on its corporate website which can be accessed via this link: https://bergerpaintsnig.com/investor/ The Company's Investors' Relations Officer can also be reached through electronic mail at: investors@bergerpaintnig.com ; or telephone on: +234 9037757191 for any investment related enquiry.																		
NSE Trading Information	Trading Name: Berger Paints Nig. Plc. (Berger) Ticker Symbol: Berger Sector: Industrial Goods Sub Sector: Building Materials Market Classification: Main Board																		
Registration Number:	RC: 1837																		
TIN	01335257-0001																		
FRC Registration Number:	FRC/2012/0000000000295																		
Registrars:	Meristem Registrars Limited 213, Herbert Macaulay Way, Adekunle, Yaba, Lagos. P.O. Box 51585, Falomo, Ikoyi, Lagos Tel: 8920491, 8920492, 01-2809250-3 Email: info@meristemregistrars.com Website: www.meristemregistrars.com																		
Independent Auditor:	PKF Professional Services 205A Ikorodu - Ososun Road Obanikoro Lagos Tel: +234 903 000 1351																		
Bankers:	<table border="0"> <tr><td>Access Bank Plc</td><td>Keystone Bank Limited</td></tr> <tr><td>Ecobank Nigeria Limited</td><td>Polaris Bank Limited</td></tr> <tr><td>Fidelity Bank Plc</td><td>Union Bank of Nigeria Plc</td></tr> <tr><td>First Bank of Nigeria Limited</td><td>United Bank for Africa Plc</td></tr> <tr><td>First City Monument Bank Limited</td><td>Wema Bank Plc</td></tr> <tr><td>Guaranty Trust Bank Limited</td><td>Zenith Bank Plc</td></tr> <tr><td>Sterling Bank Plc</td><td></td></tr> </table>	Access Bank Plc	Keystone Bank Limited	Ecobank Nigeria Limited	Polaris Bank Limited	Fidelity Bank Plc	Union Bank of Nigeria Plc	First Bank of Nigeria Limited	United Bank for Africa Plc	First City Monument Bank Limited	Wema Bank Plc	Guaranty Trust Bank Limited	Zenith Bank Plc	Sterling Bank Plc					
Access Bank Plc	Keystone Bank Limited																		
Ecobank Nigeria Limited	Polaris Bank Limited																		
Fidelity Bank Plc	Union Bank of Nigeria Plc																		
First Bank of Nigeria Limited	United Bank for Africa Plc																		
First City Monument Bank Limited	Wema Bank Plc																		
Guaranty Trust Bank Limited	Zenith Bank Plc																		
Sterling Bank Plc																			

Shareholding Structure and Free Float Status

Company Name: Berger Paint Nigeria PLC
Board Listed: Main Board
year End: 31 December
Reporting Period: 31-Mar-26
Share Price at end of reporting period: N75.9 (31 December 2025: N48)

Description	31 March 2026		31 December 2025	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	289,823,447	100.00	289,823,447	100.00
Substantial Shareholdings (5% and above):				
JUREWA INVESTMENTS LIMITED	17,670,573	6.10	17,670,573	6.10
HARMONY TRUST & INVT. CO LTD.	20,000,000	6.90	20,000,000	6.90
ALEMAJE AND COMPANY LIMITED	16,315,506	5.63	16,315,506	5.63
CAB (OVERSEAS HOLDINGS) LIMITED	16,315,506	5.63	16,315,506	5.63
MIKEADE INVESTMENTS LIMITED	19,196,095	6.62	19,196,095	6.62
Total Substantial Shareholdings	89,497,680	30.88	89,497,680	30.88
Directors Shareholdings (Direct & Indirect, excluding Directors with Substantial Interests)				
MR. ABI AYIDA	625,601	0.22	625,601	0.22
MR. RAJ MANGTANI	-	-	-	-
MR. ADEKUNLE OLUROTIMI OLOWOKANDE	197,965	0.07	197,965	0.07
MRS. OGECHI IHEANACHO	100,000	0.03	100,000	0.03
MRS. EREJUWA GBADEBO	-	-	-	-
MRS. ALABA FAGUN	-	-	-	-
MRS. AISHA UMAR	-	-	-	-
Total Directors' Shareholdings	923,566	0.32	923,566	0.32
FREE FLOAT IN UNITS & PERCENTAGE	199,402,201	68.80	199,402,201	68.80
FREE FLOAT IN VALUE (N)	3,988,044,020		3,988,044,020	

Declaration: Berger Paints PLC with a free float value of N3,988,044,020 (68.80%) as at 31 March, 2026 (31 December 2025: N3,988,044,020(68.80%)) is compliant with the Nigerian Exchange's free float requirements for companies listed on the Main Board.


OLAJIDE OYEWOLE & CO.
Secretaries to the Company

Olajide Oyewole LLP (DLA Piper Africa, Nigeria)
Company Secretary/ Legal Adviser
FRC/2025/COY/772566

Company Financial Highlights

In thousands of naira

	GROUP			COMPANY		
	31-Mar-26	31-Mar-25	%	31-Mar-26	31-Mar-25	%
Revenue	3,387,597	2,974,114	14	3,365,821	2,922,797	15
Gross profit	1,586,984	1,292,026	23	1,578,325	1,285,306	23
Operating profit	663,210	463,527	43	665,786	465,118	43
Profit before tax	693,111	469,738	48	695,687	471,329	48
Profit for the period	456,577	309,486	48	459,153	311,077	48
Share capital	144,912	144,912	-	144,912	144,912	-
Total equity	5,443,270	4,993,183	9	5,432,406	4,973,253	9
Data per 50k share						
Basic earnings per share (kobo)	158	107	48	158	107	48
Net assets per share (Naira)	19	17	9	19	17	9
Market price per share as at period end (Naira)	76	20	280	76	20	280
Market capitalization as at period end	21,997,642	5,796,480	280	21,997,642	5,796,480	280

Unaudited Separate and Consolidated Statement of Financial Position

As at 31st March, 2026

In thousands of naira

	Notes	GROUP		COMPANY	
		31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
Assets					
Property, plant and equipment	12(a)	2,637,959	2,673,521	2,629,986	2,665,021
Right of Use asset		234,048	251,173	234,048	251,173
Intangible assets	13	93,187	96,783	93,187	96,783
Investment property	14	304,578	309,961	304,578	309,961
Investment in Subsidiary		-	-	20,000	20,000
Total non-current assets		3,269,771	3,331,437	3,281,799	3,342,938
Inventories	15	2,589,698	2,753,295	2,589,698	2,753,297
Trade and other receivables	16(a)	623,397	468,985	516,033	428,514
Prepayments and advances	17	278,447	174,667	261,612	174,667
Other financial assets	19	2,431,145	1,981,146	2,431,145	1,981,146
Cash and cash equivalents	18	849,602	357,625	802,028	325,540
Total current assets		6,772,288	5,735,718	6,600,516	5,663,164
Total assets		10,042,059	9,067,155	9,882,315	9,006,102
Equity					
Share capital	20(a)	144,912	144,912	144,912	144,912
Share premium	20(b)	635,074	635,074	635,074	635,074
Retained earnings		4,663,284	4,213,198	4,652,420	4,193,267
Total equity		5,443,270	4,993,183	5,432,406	4,973,253
Liabilities					
Loans and borrowings	23	121,132	121,132	121,132	121,132
Financial derivative		109,871	109,871	109,871	109,871
Deferred income	22	94,823	39,428	94,823	39,428
Deferred taxation		539,925	571,981	539,925	579,759
Total non-current liabilities		865,751	842,411	865,751	850,190
Loans and borrowings	23	59,635	98,858	59,635	98,858
Financial derivative		99,207	128,322	99,207	128,322
Current tax liabilities	11(c)	1,029,968	793,435	1,020,169	783,636
Trade and other payables	21	2,351,192	2,055,475	2,212,111	2,016,373
Deferred income	22	64,304	26,738	64,304	26,738
Dividend payable	25	128,732	128,732	128,732	128,732
Total current liabilities		3,733,038	3,231,560	3,584,158	3,182,659
Total liabilities		4,598,789	4,073,971	4,449,909	4,032,849
Total equity and liabilities		10,042,059	9,067,155	9,882,315	9,006,102

These financial statements were approved by the Board of Directors on 21 April, 2026 and signed on its behalf by:



Abi Ayida (FRC/2019/IODN/00000019260)
Chairman



Alaba Fagun (FRC/2023/PRO/DIR/003/234540)
Director

Additionally certified by:



Adeleke Adeniyi (FRC/2019/PRO/00000019976)
Chief Finance Officer

The significant accounting policies and accompanying notes form an integral part of these financial statements.

Unaudited Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income

As at 31 March, 2026

	Notes	GROUP		COMPANY	
		3 Mths to 31-Mar-26	3 Mths to 31-Mar-25	3 Mths to 31-Mar-26	3 Mths to 31-Mar-25
<i>In thousands of naira</i>					
Revenue	5	3,387,597	2,974,114	3,365,821	2,922,797
Cost of sales	9(a)	(1,800,613)	(1,682,088)	(1,787,496)	(1,637,491)
Gross profit		1,586,984	1,292,026	1,578,325	1,285,306
Other income	6	23,937	12,580	23,937	12,580
Selling and distribution expenses	9(a)	(75,725)	(160,780)	(75,725)	(160,780)
Administrative expenses	9(a)	(871,986)	(680,299)	(860,752)	(671,988)
Operating profit before impairment charges		663,210	463,527	665,786	465,118
Impairment loss on trade receivables	8	-	-	-	-
Operating profit		663,210	463,527	665,786	465,118
Finance income	7	52,291	17,066	52,291	17,066
Finance costs	7	(22,390)	(10,855)	(22,390)	(10,855)
Net finance income		29,901	6,211	29,901	6,211
Profit before minimum tax		693,111	469,738	695,687	471,329
Minimum tax expense	12	-	-	-	-
Profit before income tax	8	693,111	469,738	695,687	471,329
Income tax expense	11(a)	(236,533)	(160,252)	(236,533)	(160,252)
Profit for the period		456,577	309,486	459,153	311,077
Other comprehensive income					
Other comprehensive income for the period				-	-
Total comprehensive income for the period		456,577	309,486	459,153	311,077
Earnings per share:					
Basic and diluted earnings per share (kobo)		158	107	158	107

Consolidated Statement of Changes in Equity

As at 31 March, 2026

In thousands of naira

Note	Share capital	Share premium	Retained earnings	Total equity
GROUP				
Balance at 1 January 2026	144,912	635,074	4,213,198	4,993,184
Comprehensive income for the period				
Profit for the period	-	-	456,577	456,577
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	456,577	456,577
Transactions with owners, recorded directly in equity				
Dividend	-	-	-	-
Total transactions with owners	-	-	-	-
Balance at 31 March 2026	144,912	635,074	4,663,284	5,449,761
GROUP				
Balance at 1 January 2025	144,912	635,074	3,048,350	3,828,336
Comprehensive income for the period				
Profit for the period	-	-	1,570,624	1,570,624
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,570,624	1,570,624
Transactions with owners, recorded directly in equity				
Dividend	-	-	(405,776)	(405,776)
Total transactions with owners	-	-	(405,776)	(405,776)
Balance at 31 December, 2025	144,912	635,074	4,213,198	4,993,184
COMPANY				
Balance at 1 January 2026	144,912	635,074	4,193,267	4,973,253
Comprehensive income for the period				
Profit for the period	-	-	459,153	459,153
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	459,153	459,153
Transactions with owners, recorded directly in equity				
Dividend	-	-	-	-
Total transactions with owners	-	-	-	-
Balance at 31 March 2026	144,912	635,074	4,652,420	5,432,406
COMPANY				
Balance at 1 January 2025	144,912	635,074	3,075,915	3,855,901
Comprehensive income for the period				
Profit for the period	-	-	1,523,128	1,523,128
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,523,128	1,523,128
Transactions with owners, recorded directly in equity				
Dividend	-	-	(405,776)	(405,776)
Total transactions with owners	-	-	(405,776)	(405,776)
Balance at 31 December 2025	144,912	635,074	4,193,267	4,973,253

Unaudited Consolidated and Separate Statement of Cash Flows

As at 31 March, 2026

In thousands of naira

	Note	GROUP		COMPANY	
		31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
Cash flows from operating activities					
Profit for the period		456,577	1,570,624	459,153	1,523,128
Adjustments for:					
- Depreciation	9(b)	88,198	449,633	80,468	446,869
- Depreciation of investment property		5,382	21,057	5,382	21,057
- Amortisation	13	7,311	38,433	7,311	38,433
- Finance income	7	(52,291)	(181,328)	(52,291)	(181,328)
- Writeback/(impairment loss) on trade receivables		-	-	-	-
- Finance cost	7	22,390	83,382	22,390	83,382
- Gain on sale of property, plant and equipment	6		(9,838)	-	(8,060)
- Defered tax expense	12			-	
- Taxation	11(a)	236,533	872,471	236,533	870,364
		<u>764,101</u>	<u>2,844,434</u>	<u>758,947</u>	<u>2,793,845</u>
<i>Changes in:</i>					
- Inventories		163,599	548,842	163,599	548,842
- Trade and other receivables	16	(192,118)	(42,779)	(87,519)	28,115
- Prepayments and advances	17	(82,445)	(40,304)	(86,945)	(40,304)
- Trade and other payables	21	184,924	203,966	155,903	178,984
- Dividend payable		-	(234,025)	-	(234,025)
- Deferred income		92,961	(48,891)	92,961	(48,891)
		<u>1,132,524</u>	<u>3,231,244</u>	<u>996,945</u>	<u>3,226,565</u>
Cash generated from operating activities					
WHT credit notes utilised	11(c)	-	(50,179)	-	(50,179)
Tax paid	11(c)	-	(482,507)	-	(482,507)
		<u>1,132,524</u>	<u>2,698,557</u>	<u>996,945</u>	<u>2,693,878</u>
Cash flows from investing activities					
Purchase of property plant and equipment	12(a)	(28,307)	(520,631)	(28,307)	(520,631)
Additions to motor vehicle under lease		-	(274,007)	-	(274,007)
Acquisition of Intangible assets		(3,716)	(71,667)	(3,716)	(71,667)
Proceeds from sale of property, plant and equipment		-	9,838	-	8,060
Interest income on other financial assets	7	52,291		52,291	
Additions to investment in financial assets	22	(450,000)	(1,534,049)	(450,000)	(1,534,166)
Finance income		-	181,328	-	181,328
		<u>(549,820)</u>	<u>(2,209,188)</u>	<u>(429,733)</u>	<u>(2,211,083)</u>
Cash flows from financing activities					
Repayment of borrowings	23	(68,338)	(117,970)	(68,338)	120,223
Interest paid		(22,390)	(83,382)	(22,390)	(83,382)
Dividend paid	25	-	(405,776)	-	(405,776)
		<u>(90,727)</u>	<u>(607,128)</u>	<u>(90,727)</u>	<u>(368,935)</u>
Net decrease in cash and cash equivalents					
		491,977	120,436	476,488	113,860
Cash and cash equivalents at 1 January		357,625	237,189	325,540	211,680
Cash and cash equivalents at 31 December 2025	20	<u>849,602</u>	<u>357,625</u>	<u>802,028</u>	<u>325,540</u>

Notes to the Consolidated and Separate financial statements

As at 31 March, 2026

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Notes to the Consolidated and Separate financial statements

As at 31 March, 2026

1 Reporting Entity

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

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

2 Basis of Preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011. The Unaudited consolidated and separate financial statements were authorised for issue by the Board of Directors on 21 April 2026.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Non-derivative financial instruments initially measured at fair value and subsequently measured at amortised cost.
- Government grant (recognised as deferred income) measured at fair value.
- Inventories: Lower of cost and net realisable value.

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgment

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

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

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

Note 4(Q) and 31	leases: whether an arrangement contains a lease
Note 4(D),(F),14 and 16	determination of the useful life of leasehold land
Note 4(L) and 5	revenue recognition and measurement of revenue from rendering of painting services

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

Note 2(e) and 30(a)	determination of fair values
Note 4(G) and 30(b)	impairment of financial assets: Expected credit loss and forward looking information
Note 12	uncertainty over income taxes: transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.
Note 26 (a)	determination of cashflows repayments in respect of the investment property development financing arrangement.
Note 33	recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(e) Measurement of fair values

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

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

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

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

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

Further information about the assumptions made in measuring fair values is included in Note 30 – Financial instruments- Fair values and financial risk management.

Notes to the Consolidated and Separate financial statements

As at 31 March, 2026

3 Changes in significant accounting policies

The Company has initially adopted IFRS 16 *Leases* and IFRIC 23 *Uncertainty over Income Tax treatments* from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Company's financial statements.

A. IFRS 16 Leases

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated –i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

(a) Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining whether an Arrangement contains a Lease*. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note (4Q).

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

(b) As a Lessee

As a lessee, the Company leases land, motor vehicles and property rentals. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for leases of land and motor vehicles- i.e. these leases are on-balance sheet.

Leases classified as finance leases under IAS 17

On transition to IFRS 16, the carrying amount of the right of use assets and the lease liability at 1 January 2019 is determined at the carrying amount of the leased asset and lease liability under IAS 17 immediately before that date. The right of use assets recognised from the leases are presented in investment property as well as property, plant and equipment and measured at cost at that date.

Leases classified as operating leases under IAS 17

Previously, the Company classified property leases as operating leases under IAS 17.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS17. The Company:

- did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application.
- did not recognise right-of-use assets and liabilities for leases of low value asset;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application ; and
- used hindsight when determining the lease term.

In particular, the Company did not recognise right of use asset and liability for the property rentals as the lease terms end within 12 months of the date of initial application.

(c) As a Lessor

The Company leases out its investment property, and an insignificant portion of the Company's building properties. The Company has classified these leases as operating leases.

The Company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. Under IAS 17, the lease contracts were classified as operating leases.

B. IFRIC 23 Uncertainty over Income Tax treatments

The Company has adopted IFRIC 23 for the first time in the year 2019. The amendment clarifies how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
 - If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
 - If no, the entity should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

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4 Significant Accounting Policies

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

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A. Foreign currency transactions

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

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

B. Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The Company's financial assets comprises trade and other receivables, cash and cash equivalents and other financial assets; and are classified as financial assets measured at amortised cost.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial Assets- Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets- Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Company's financial liabilities comprises loans and borrowings, trade and other payables and dividend payable; and are classified as other financial liabilities.

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(iv) Derecognition and offsetting

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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

C. Capital and other reserves

i. Share capital

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

ii. Share premium

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

iii. Retained earnings

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

iv. Fair value reserve

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

D. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

ii. Subsequent cost

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

iii. Derecognition

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

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

iv. Depreciation

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

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

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

• Leasehold land		- Unlimited
• Buildings		- 20 years
• Plants and machinery		
-	Fixed plant	- 12 -40 years
-	Movable plant	- 7 years
-	Generators	- 5 years
• Motor vehicles		
-	Trucks	- 6 years
-	Cars	- 4 years
• Furniture and fittings		- 5 years
• Computer equipment		- 5 years
• Motor vehicles under lease		- 5 years
• Motor vehicles under lease		- lease period

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

E. Intangible assets

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

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

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

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if and only if all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

The internally generated intangible asset represents product formulation development for the newly commissioned automated paint factory.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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F. Investment property

i. Recognition and measurement

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

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

- | | | |
|------------------|---|-----------|
| • Buildings | – | 20 years |
| • Leasehold land | – | Unlimited |

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

iv. Transfers

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

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

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

G. Impairment

Non-derivative financial assets

i. Financial instrument

The Company's financial assets consist of cash and cash equivalent, trade receivables and other financial assets, The Company recognises loss allowances for expected credit loss (ECL) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 60 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For cash and cash equivalent and other financials assets, Company applies a general approach in calculating the ECLs. The Company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of investment grade.

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ii Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

iii Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 60 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

iv Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

v Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

H. Contingent liabilities and contingent assets

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

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

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

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

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

I. Provisions

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

J. Employee benefits

i. Defined contribution plan

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

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

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

ii. Short-term employee benefits

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

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

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iii. 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.

K. Inventories

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

Raw materials, non-returnable packaging materials and consumable spare parts – purchase cost on a weighted average basis including transportation and applicable clearing charges.

Finished products and products-in-process – weighted average cost of direct materials and labour plus a reasonable proportion of manufacturing overheads based on normal levels of activity.

Goods in transit – Purchase cost incurred to date

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of conversion and selling expenses. Allowance is made for obsolete, slow moving or defective items where appropriate.

L. Revenue by nature

(i) Revenue from contract with customers

a Sale of paints and allied products

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

Revenue is recognised when the goods are delivered and have been accepted by customers. The Company allocates a portion of consideration received to loyalty points as applicable. The allocation is based on the relative stand alone selling prices. The amount allocated to the loyalty program is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points become remote. The deferred revenue is included in contract liabilities.

b Contract services - supply and apply services contract

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

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

Revenue is recognized overtime on basis of the Company's cost incurred relative to the total expected cost for the satisfaction of the performance obligation. The related cost are recognised in profit or loss when they are incurred. Advances received are included in contract liabilities and presented as part of trade and other payables. Unbilled receivables for services rendered are included as contract assets and presented as part of trade and other receivables.

(ii) Investment property rental income

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

M. Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income, gains on re-measurement of financial assets measured at amortised cost, and reclassification of net gains previously recognised in OCI. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established.

Finance costs comprise interest expense on lease and other financial liabilities and impairment losses recognised on financial assets (other than trade receivables). Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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

N. Government grant

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

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

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

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

O. Taxation

Income tax

Income tax expense comprises current tax (Company Income Tax, Tertiary Education Tax, Nigeria Police Trust Fund levy and Capital gains tax) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Company Income Tax is computed on taxable profits; Tertiary Education Tax is computed on assessable profits while the Nigeria Police Trust Fund is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the Company during the year). Income tax liabilities are presented in the statement of financial position net of withholding taxes.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unutilised tax losses, unutilised 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 used. Future taxable profits are determined based on business plans.

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 realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

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, and reflects uncertainty related to income taxes, if any. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if, and only if the Company:

- (a) has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the 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.

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 determination is made.

(c) Minimum tax expense

The Company is subject to the Finance Act, 2019 which amends the Company Income Tax Act (CITA). Total amount of tax payable under the Finance Act, 2019 is determined based on the higher of two components; Company Income Tax (based on taxable income (or loss) for the year); and Minimum tax (determined based on 0.5% of qualifying Company's turnover less franked investment income). Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The liability is recognised under current tax liabilities in the statement of financial position.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax expense.

Notes to the Consolidated and Separate financial statements

As at 31 March, 2026

P. Earnings per share

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

Q. Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS17 and IFRIC4. The details of accounting policies under IAS17 and IFRIC4 are disclosed separately.

Policy applicable from 1 January 2019

At inception of a contract, the Company assess whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January, 2019.

i. As a lessee

The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use assets will be depreciated over the useful life of the underlying assets, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses interest rate implicit in the lease liability agreement as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or terminate option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment and lease liabilities in loans and borrowings in the statement of financial position. Right of use assets comprises motor vehicles under lease and leasehold land.

Short-term leases and leased of low-value assets.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expenses on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Notes to the Consolidated and Separate financial statements

As at 31 March, 2026

When the Company is an intermediate lessor, it accountings for its interests in the head lease and the sub-lease separately. It assesses the classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classified the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognizes lease payments received under operating leases as income on a straight -line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16.

Policy applicable before 1 January 2019

i. Determining whether an arrangement contains a lease

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

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

ii. Leased assets

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

iii. Lease payments

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

R. Statement of cashflows

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

S. Operating Segment

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

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

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

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

T. Dividends

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

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

U. Prepayments and advances

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

Notes to the Consolidated and Separate financial statements

As at 31 March, 2026

V. Deposit for imports

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

W. Investment in subsidiary

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

X. Related parties

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

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

Y. New standards and interpretations not yet adopted

Standards issued but not yet effective

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2019 and have not been adopted in preparing these financial statements. Those Standards, Amendments to Standards, and Interpretations which may be relevant to the Company are set out below. Earlier adoption is permitted; however, the Company has not early adopted the new or amended standard in preparing the financial statement.

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Z. Standards, Interpretations effective from 1 January 2019

There are new issued accounting standards, amendment to standards and interpretations that are effective first beginning 1 January 2019. Other than those disclosures in Note 3, the Directors have considered the following amended standards and interpretations and that they are not expected to have a significant impact on the Company's financial statements:

- Prepayment features with negative compensation (Amendment to IFRS 9)
- Long term interests in Associates and Joint Ventures (Amendment to IAS 8)
- Plan Amendment, Curtailment or Settlement (Amendment to IAS 19)
- Annual improvements to IFRS Standards 2015/17 Cycle Various Standards

Notes to the Consolidated and Separate financial statements

As at 31 March, 2026

5 Revenue

(a) Revenue stream for the period comprises:

<i>In thousands of naira</i>	Recognition policy	GROUP		COMPANY	
		Mar-26	Mar-25	Mar-26	Mar-25
(i) Revenue from contract with customers					
- Sale of paints and allied products*	At a point in time	3,642,180	2,922,797	3,642,180	2,922,797
- Contract services	Over time	21,775	51,317	-	-
(ii) Revenue from leases of investment property		-	-	-	-
		3,663,956	2,974,114	3,642,180	2,922,797

*Revenue from sale of paints and allied products for the year comprises:

<i>In thousands of naira</i>	GROUP		COMPANY	
	Mar-26	Mar-25	Mar-26	Mar-25
Revenue (net of value added tax)	3,663,956	3,641,904	3,642,180	3,590,587
Discount	-	-	-	-
Rebates	(276,359)	(667,790)	(276,359)	(667,790)
	3,387,597	2,974,114	3,365,821	2,922,797

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

(b) Contract balances

The Company's contract balance comprises of trade receivables from contract with customers and is included in trade and other receivables (Note 18(a)). The balance is analysed as follows:

<i>In thousands of naira</i>	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Billed receivables in respect of sales of paints and allied products	182,980	182,314	75,616	117,623
Unbilled receivables in respect of contract services	-	83,688	-	83,688
Trade receivables (Note 16(b))	182,980	266,002	75,616	201,311

6 Other income

Other income comprises:

<i>In thousands of naira</i>	31-Mar-26	31-Mar-25	31-Mar-26	31-Mar-25
Sale of Scrap	59	3,468	59	3,468
Income on property leases*	9,955	2,012	9,955	2,012
Insurance claims received	4,651	-	4,651	-
Income from new BBPs and other income	7,500	7,100	7,500	7,100
Sale of raw materials	1,772	-	1,772	-
	23,937	12,580	23,937	12,580

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

**This represents a one-off gain from sale of "available for sale financial assets" in prior year.

7 Finance income and finance cost

Recognised in profit or loss:

<i>In thousands of naira</i>	GROUP		COMPANY	
	Mar-26	Mar-25	Mar-26	Mar-25
Interest income on other financial assets	-	17,834	-	17,834
Interest income on bank deposit	52,291	-	52,291	-
Foreign currency gain (loss)	-	(768)	-	(768)
Net gain on financial liabilities measured at amortised costs	52,291	17,066	52,291	17,066
Unwinding of discount on financial liabilities measured at amortised cost	-	-	-	-
Total finance income	52,291	17,066	52,291	17,066
Interest expense on borrowings	(6,385)	(10,855)	(6,385)	(10,855)
Foreign currency loss	-	-	-	-
Interest expense on lease liabilities	(16,005)	-	(16,005)	-
Total finance cost	(22,390)	(10,855)	(22,390)	(10,855)
Net finance income recognised in profit or loss	29,901	6,211	29,901	6,211

Notes to the Consolidated and Separate financial statements

As at 31 March, 2026

8 Profit before income tax

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

In thousands of naira

		Group		Company	
	Notes	Mar-26	Mar-25	Mar-26	Mar-25
Directors' emoluments	9(a)	55,651	37,639	51,561	33,549
Depreciation	9(b)	85,180	86,869	85,850	86,186
Amortisation	13	7,311	3,733	7,311	3,733
Personnel expenses	10	340,821	320,492	336,041	318,224
Auditors' remuneration	9(a)	-	11,875	46,112	11,250
Profit on disposal of property, plant and equipment	6	52,291	6,011	52,291	6,011

9 (a) Expenses

(i) Analysis of expenses by nature

In thousands of naira

	Note	Group		Company	
		Mar-26	Mar-25	Mar-26	Mar-25
Directors emoluments		55,651	37,639	51,561	33,549
Personnel expenses	10	340,821	320,492	336,041	318,224
Training expenses		13,350	200	13,350	200
Repairs and maintenance		88,038	71,001	87,658	71,001
Office and corporate expenses		74,262	32,210	74,262	32,210
License and permits		29,211	13,067	29,211	13,067
Utilities		15,908	49,867	15,908	49,867
Insurance		20,621	25,434	20,621	25,434
Travel, transport and accommodation		129,772	165,840	129,701	165,840
Rent, rate and levies		6,141	13,135	6,141	13,135
Subscriptions		7,947	5,162	7,947	5,162
Depreciation	9(b)	86,520	86,124	85,850	85,441
Amortisation	13	7,311	3,732	7,311	3,732
Printing and stationery		7,475	2,262	7,475	2,262
Professional and Consultancy		98,007	34,050	97,059	33,695
Auditors' remuneration		-	11,875	-	11,250
Bank charges		1,140	-	1,094	-
Advertisement and publicity expenses		91,907	-	91,907	-
Distribution expenses		75,975	1,473	75,725	1,433
Raw materials and consumables		1,585,150	57,414	1,585,150	57,414
Foreign currency exchange loss		-	103,367	-	103,367
Impairment of Heritage Bank balance		-	1,488,824	-	1,443,977
Contract services expenses		13,116	-	-	-
		2,748,324	2,523,167	2,723,973	2,470,259

In thousands of naira

Summarised as follows:

(ii) Cost of sales

	Note	Mar-26	Mar-25	Mar-26	Mar-25
Selling and distribution expenses		1,800,613	1,682,088	1,787,496	1,637,491
Administrative expenses		75,725	160,780	75,725	160,780
Total cost		2,748,324	2,523,167	2,723,973	2,470,259

(b) Depreciation

In thousands of naira

Depreciation charged for the period comprises:

	Note	Mar-26	Mar-25	Mar-26	Mar-25
Depreciation of property, plant and equipment	12	87,109	81,778	87,779	81,095
Depreciation of investment property	14	5,382	5,091	5,382	5,091
Total depreciation		92,491	86,869	93,161	86,186

10 Personnel expenses

Personnel expenses, excluding remuneration of the executive directors during the period comprises:

In thousands of naira

	Group		Company	
	Mar-26	Mar-25	Mar-26	Mar-25
Salaries, wages and allowances	311,064	298,480	295,894	296,212
Employer contribution to compulsory pension fund scheme	23,490	22,012	23,490	22,012
	334,554	320,492	319,385	318,224

Notes to the Consolidated and Separate financial statements

As at 31 March, 2026

11 Taxation

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

In thousands of naira

Current tax expense:

Company income tax

WHT credit notes impaired

Nigeria Police Trust Fund Levy (NPTF)

Tertiary education tax

Development levy

Overprovision in prior year

Back duty assessment:

Company income tax

Education tax

(Credit)/charge for the year

Deferred Tax Expense

Income tax expense

	Mar-26	Mar-25	Mar-26	Mar-25
Company income tax	236,533	146,112	236,533	146,112
WHT credit notes impaired	-	-	-	-
Nigeria Police Trust Fund Levy (NPTF)	-	-	-	-
Tertiary education tax	-	14,140	-	14,140
Development levy	-	-	-	-
	<u>236,533</u>	<u>160,252</u>	<u>236,533</u>	<u>160,252</u>
Overprovision in prior year	-	-	-	-
Back duty assessment:	-	-	-	-
Company income tax	-	-	-	-
Education tax	-	-	-	-
(Credit)/charge for the year	<u>236,533</u>	<u>160,252</u>	<u>236,533</u>	<u>160,252</u>
Deferred Tax Expense	-	-	-	-
Income tax expense	<u>236,533</u>	<u>160,252</u>	<u>236,533</u>	<u>160,252</u>

- (b) Reconciliation of effective tax rate:

In thousands of naira %

Profit for the period

Taxation

Profit before taxation

	GROUP		COMPANY	
	Mar-26	Mar-25	Mar-26	Mar-25
Profit for the period	456,577	309,486	459,153	1,523,128
Taxation	236,533	160,252	236,533	870,364
Profit before taxation	<u>693,111</u>	<u>469,738</u>	<u>695,687</u>	<u>2,393,492</u>

Income tax using the Company's domestic rate of 30%

215,663 146,112 215,663 718,048

- (c) The movement in the tax payable during the year was as follows:

i. **Current tax liabilities**

In thousands of naira

Balance as at 1 January

Current period charge

Cash payments

WHT credit notes utilised

Balance as at period end (A)

ii. **WHT credit notes**

Balance as at 1 January

WHT Credit Utilised

Additions

Balance as at period end (B)

Total current tax liabilities as at period end (A+B)

	Mar-26	Dec-25	Mar-26	Dec-25
Balance as at 1 January	793,435	485,792	783,636	485,792
Current period charge	236,533	840,415	236,533	830,530
Cash payments	-	(482,593)	-	(482,507)
WHT credit notes utilised	-	(50,179)	-	(50,179)
Balance as at period end (A)	<u>1,029,968</u>	<u>793,435</u>	<u>1,020,169</u>	<u>783,636</u>
Balance as at 1 January	-	-	-	-
WHT Credit Utilised	-	(57,757)	-	(57,757)
Additions	134,333	57,757	134,333	57,757
Balance as at period end (B)	<u>134,333</u>	<u>-</u>	<u>134,333</u>	<u>-</u>
Total current tax liabilities as at period end (A+B)	<u>(895,635)</u>	<u>793,435</u>	<u>(885,836)</u>	<u>(783,636)</u>

Notes to the Consolidated and Separate financial statements
As at 31 March, 2026

12 Property Plant and equipment
GROUP

(a) The movement on these accounts was as follows:
In thousands of naira

	Note	Leasehold Land N'000	Buildings N'000	Plants and Machinery N'000	Furniture and fittings N'000	Motor Vehicles N'000	Computer Equipment N'000	Right of Use Asset N'000	Capital work- in progress N'000	TOTAL N'000
Cost										
Balance at 1 January 2025		390,000	1,472,629	1,731,497	206,994	151,895	231,897	182,405	-	4,367,317
Additions		-	54,742	206,608	45,653	-	21,416	274,007	-	602,426
Transfer								(182,405)		(182,405)
Reclassification to intangible assets		-	-	-	-	182,405	-			182,405
Disposals/write-off		-	-	(240)	(183)	-	(5,441)			(5,864)
Balance at 31 December 2025		390,000	1,527,371	1,937,866	252,464	334,300	247,872	274,007	-	4,963,880
Balance at 1 January 2026		390,000	1,527,371	1,937,866	252,464	334,300	247,872	274,007	-	4,963,880
Additions		-	-	27,613	675	(0)	20	-	-	28,307
Swift Painting										-
Transfer		-	-	-	-	-	-	-	-	-
Reclassification to intangible assets		-	-	-	-	-	-	-	-	-
Disposals		-	-	-	-	-	-	-	-	-
Balance at 31 March 2026		390,000	1,527,371	1,965,478	253,139	334,300	247,892	274,007	-	4,992,187
Accumulated depreciation										
Balance at 1 January 2025		78,081	574,240	544,192	87,128	144,412	162,692	164,003	-	1,754,748
Charge for the year	9(b)	-	87,781	108,031	34,789	20,964	23,394	22,834	-	297,793
Transfer						164,003		(164,003)		0.00
Disposals		-	-	-	(183)	-	(5,441)	-	-	(5,624)
Balance at 31 December 2025		78,081	662,021	652,223	121,734	329,379	180,645	22,834	-	2,046,917
Balance at 1 January 2026		78,081	662,021	652,223	121,734	329,379	180,645	22,834	-	2,046,917
Charge for the period	9(b)	-	22,482	23,697	9,478	1,477	6,210	17,125	-	80,470
Disposals		-	-	-	-	-	-	-	-	-
Balance at 31 March 2026		78,081	684,503	675,920	131,213	330,857	186,854	39,959	-	2,127,387
Carrying amounts										
At 31st March 2026		311,919	842,868	1,289,558	121,926	3,443	61,038	234,048	-	2,864,761
At 31 December 2025		311,919	814,225	1,148,171	41,258	21,607	42,973	251,173	134,153	2,765,479

**Notes to the Consolidated and Separate financial statements
As at 31 March, 2026**

COMPANY

- (a) The movement on these accounts was as follows:
In thousands of naira

	Note	Leasehold Land N'000	Buildings N'000	Plants and Machinery N'000	Furniture and fittings N'000	Motor Vehicles N'000	Computer Equipment N'000	Right of use Asset N'000	Capital work- in progress N'000	TOTAL N'000
Cost										
Balance at 1 January 2025		390,000	1,472,629	1,716,452	206,994	143,870	231,014	182,405		4,343,364
Additions		-	54,742	206,608	45,653	0	21,416	274,007		602,426
Transfer		-	-	-	0	182,405	-	(182,405)		0
Reclassification to intangible assets		-	-	-	-	-	-	-		-
Disposals/write-off		-	-	-	(183)	-	(5,441)	-		(5,624)
Balance at 31 December 2025		390,000	1,527,371	1,923,060	252,464	326,275	246,989	274,007	-	4,940,166
Balance at 1 January 2026		390,000	1,527,371	1,923,060	252,464	326,275	246,989	274,007	-	4,940,166
Additions		0	0	27,613	675	(0)	20	-	-	28,307
Transfer		-	-	-	-	-	-	-	-	-
Reclassification to intangible assets		-	-	-	-	-	-	-	-	-
Disposals		-	-	-	-	-	-	-	-	-
Balance at 31 March, 2026		390,000	1,527,370	1,950,673	253,139	326,275	247,010	274,007	-	4,968,473
Accumulated depreciation										
Balance at 1 January 2025		78,081	573,165	533,772	87,112	143,870	162,295	164,003	-	1,742,301
Charge for the year	9(b)	-	87,781	104,001	34,789	15,001	22,891	22,834	-	287,299
Transfer (a)1)		-	-	-	-	164,003	-	(164,003)		0.00
Disposals		-	-	-	(183)	-	(5,441)	-	-	(5,624)
Balance at 31 December 2025		78,081	660,946	637,773	121,718	322,874	179,745	22,834	-	2,023,976
Balance at 1 January 2026		78,081	660,946	637,773	121,718	322,874	179,745	22,834	-	2,023,971
Charge for the period	9(b)	(0)	22,482	23,697	9,478	1,477	6,210	17,125	-	80,469
Disposals		-	-	-	-	-	-	-	-	-
Balance at 31 March, 2026		78,081	683,428	661,470	131,195	324,350	185,955	39,959	-	2,104,439
Carrying amounts										
At 31st December 2025		311,919	866,425	1,285,288	130,746	3,401	67,245	251,173	-	2,916,190
At 31 March 2026		311,919	843,942	1,289,202	121,943	1,924	61,055	234,048	0	2,864,034

(b) **Assets pledged as security**

No asset of the Company was pledged as security for loan as at 31 March, 2026 (December 2025: Nil)

(c) **Impairment of property, plant and equipment**

No impairment loss was recognised for the period (December 2025: Nil).

Notes to the Consolidated and Separate financial statements
As at 31 March, 2026

13 Intangible assets

In thousands of naira

	Note	Computer Software	Intangible assets under development	Total
GROUP				
Cost				
Balance at 1 January 2025		143,462	-	143,462
Additions		71,667	-	71,667
Reclassification from property, plant & equipment		-	-	-
Disposals		-	-	-
Balance at 31 December 2025		<u>215,129</u>	-	<u>215,129</u>
Balance at 1 January 2026		215,129	-	215,129
Additions		3,716	-	3,716
Reclassification from property, plant & equipment		-	-	-
Balance at 31 March 2026	14(a)	<u>218,845</u>	-	<u>218,845</u>
Accumulated amortisation				
Balance at 1 January 2025		102,747	-	102,747
Charge for the year	9(a)	15,599	-	15,599
Transfers		-	-	-
Disposals		-	-	-
Balance at 31 December 2025		<u>118,346</u>	-	<u>118,346</u>
Balance at 1 January 2026		118,346	-	118,346
Charge for the period	9(a)	7,311	-	7,311
Balance at 31 March 2026		<u>125,658</u>	-	<u>125,658</u>
Carrying amounts				
At 31 December 2025		<u>96,782</u>	-	<u>96,782</u>
At 31 March, 2026		<u>93,187</u>	-	<u>93,187</u>

Notes to the Consolidated and Separate financial statements
As at 31 March, 2026

COMPANY

Cost

Balance at 1 January 2025		143,462	-	143,462
Additions		71,667	-	71,667
Reclassification from property, plant & equipment		-		-
Disposals				-
Balance at 31 December 2025		<u>215,129</u>	-	<u>215,129</u>
Balance at 1 January 2026		215,129	-	215,129
Additions		3,716	-	3,716
Reclassification from property, plant & equipment	14(a)	-		-
Balance at 31 March 2026		<u>218,845</u>	-	<u>218,845</u>
Accumulated amortisation				
Balance at 1 January 2025		102,747	-	102,747
Charge for the year	9(a)	15,599	-	<u>15,599</u>
Transfers				-
Disposals				-
Balance at 31 December 2025		<u>118,346</u>	-	<u>118,346</u>
Balance at 1 January 2026		118,346	-	118,346
Charge for the period	9(a)	7,311	-	<u>7,311</u>
Balance at 31 March 2026		<u>125,658</u>	-	<u>125,658</u>
Carrying amounts				
At 31 December 2025		<u>40,715</u>	-	<u>96,782</u>
At 31 March 2026		<u>93,187</u>	-	<u>93,187</u>

The Company's intangible assets represent cost of Microsoft Navision ERP applications licence and technical agreement. The Microsoft Navision ERP application was acquired and available for use in September 2017. The cost is amortised to profit or loss over a period of Five years.

Intangible assets amortisation charged to profit or loss for the period amounts to ₦7million (31 December 2025: ₦15.6million) and is included as part of administrative expenses.

Notes to the Consolidated and Separate financial statements

As at 31 March, 2026

14 Investment property

The movement on this account was as follows:

In thousands of naira

Cost

Balance at 1 January
 Additions during the period
 Balance at end of period

Accumulated depreciation

Balance at 1 January
 Charge for the period
 Balance at end of period

Carrying amounts at period ended

	GROUP		COMPANY	
	Mar-26	Dec-25	Mar-26	Dec-25
Cost				
Balance at 1 January	614,275	604,468	614,275	604,468
Additions during the period	-	9,807	-	9,807
Balance at end of period	<u>614,275</u>	<u>614,275</u>	<u>614,275</u>	<u>614,275</u>
Accumulated depreciation				
Balance at 1 January	304,314	283,257	304,314	283,257
Charge for the period	5,382	21,057	5,382	21,057
Balance at end of period	<u>309,696</u>	<u>304,314</u>	<u>309,696</u>	<u>304,314</u>
Carrying amounts at period ended	<u>304,578</u>	<u>309,960</u>	<u>304,578</u>	<u>309,960</u>

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

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

Rental income generated from investment property recognised during the period was Nil (31 December 2025: 21.23).

Direct operating expenses (included in repairs and maintenance expenses) arising from investment property that generated rental income during the period was Nil (31 December 2025: Nil)

Depreciation of ₦5.3 million (31 December 2025: ₦21 million) charged on investment property for the period was included in admin expenses

The fair value of the investment property as at period end is ₦4.21 billion (31 December 2025: ₦4.21 billion). The fair value was determined by an external, independent property valuer (Jide Taiwo and Co.) with Financial Reporting Council of Nigeria (FRC) No: FRC/2012/NIESV/000000000254. The valuation was carried out by Umore Yakub with FRCN number FRC/2014/PRO/NIESV/014/00000008842. The fair value measurement of investment property has been categorised as a Level 2 fair value based on the input to the valuation techniques used. The direct market comparison and depreciated replacement cost method was used in determining the fair value of the investment property.

15 Inventories

In thousands of naira

	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
Raw and packaging materials	1,462,863	2,013,751	1,462,863	2,013,751
Finished products	727,286	617,561	727,286	617,561
Product-in-process	3,949	575	3,949	575
Consumable spare parts	395,600	121,409	395,600	121,409
	<u>2,589,698</u>	<u>2,753,297</u>	<u>2,589,698</u>	<u>2,753,297</u>

Notes to the Consolidated and Separate financial statements
As at 31 March, 2026

16 Trade and other receivables comprises:

Trade and other receivables comprises:

	GROUP		COMPANY	
	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
(a) <i>In thousands of naira</i>				
Trade receivables (Note 5(b))	182,980	296,377	75,616	157,107
Lease receivable	83,688	83,688	83,688	83,688
Staff debtors	6,684	4,857	6,684	4,857
Other receivables	220,595	110,250	220,595	110,250
WHT receivable	134,333	79,514	134,333	79,514
Receivable from related party	100,817	-	100,817	98,800
Total trade and other receivables	729,097	574,686	621,733	534,215
Impairment allowance	(105,701)	(105,701)	(105,701)	(105,701)
Carrying amount as at period ended	623,397	468,986	516,033	428,515

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

	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
<i>In thousands of naira</i>				
Balance at 1 January	105,701	109,457	105,701	109,457
Net impairment loss recognised	-	-	-	-
Bad debt written off	-	(3,756)	-	(3,756)
Balance at 31 March	105,701	105,701	105,701	105,701

17 Prepayments and advances

Prepayments and advances comprises:

	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
<i>In thousands of naira</i>				
Prepaid rent	-	-	-	-
Advance payment to suppliers	204,745	93,800	187,910	93,800
Prepaid insurance and others	73,702	80,868	73,702	80,868
	278,447	174,667	261,612	174,667

There were no non-current prepayments and advances made at period-end (31 March 2025: Nil).

18 Cash and cash equivalents

Cash and cash equivalents comprises:

	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
<i>In thousands of naira</i>				
Cash on hand	155	89	155	125
Balance with banks	849,446	238,176	801,872	325,415
Cash and cash equivalents	849,602	238,264	802,028	325,539

19 Other financial assets

This represents unclaimed dividend returned by the Company's registrar and invested in short term money market instrument as at period end:

As at 31 March 2026, the investment is analysed as stated below:

	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
Unclaimed dividend invested	281,145	281,145	281,145	281,145
Deposit with financial institutions	2,150,000	1,700,000	2,150,000	1,700,000
At 31 March 2026	2,431,145	1,981,145	2,431,145	1,981,145

Notes to the Consolidated and Separate financial statements
As at 31 March, 2026

20 Capital and reserves

(a) Ordinary shares as at 31 March 2026

In thousands of naira

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

	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
	144,912	144,912	144,912	144,912

(b) Share premium

In thousands of naira

At 1 January

At 31 March 2026

	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
At 1 January	635,074	635,074	635,074	635,074
At 31 March 2026	635,074	635,074	635,074	635,074

(c) Retained earnings

At 1 January

Transfer from profit/loss

Dividend paid/declared

At 31 March

At 1 January	4,213,198	3,048,350	4,193,267	3,075,915
Transfer from profit/loss	456,577	1,570,624	459,153	1,523,128
Dividend paid/declared	-	(405,776)	-	(405,776)
At 31 March	4,663,284	4,213,198	4,652,421	4,193,267

21 Trade and other payables

Trade and other payables comprises:

In thousands of naira

Trade payables

Customer deposits for paints

Value Added Tax payable

Withholding Tax payable

PAYE payable

Pension payable

Other non-income taxes

Accruals

Other payables

	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
Trade payables	656,115	521,150	656,115	528,001
Customer deposits for paints	207,573	666,768	207,573	649,677
Value Added Tax payable	195,936	64,388	195,130	64,280
Withholding Tax payable	41,312	17,412	40,952	16,602
PAYE payable	89,445	89,981	89,445	89,971
Pension payable	12,463	11,268	12,463	11,268
Other non-income taxes	36,954	31,973	36,954	31,973
Accruals	90,078	641,606	90,078	613,673
Other payables	1,021,316	10,929	883,401	10,927
	2,351,192	2,055,475	2,212,111	2,016,373

22 Deferred income

Deferred income comprises:

In thousands of naira

Government grant

Lease income received in advance

Deferred income

Non-current

Current

	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
Government grant	105,078	44,028	105,078	44,028
Lease income received in advance	54,049	22,138	54,049	22,138
Deferred income	159,127	66,166	159,127	66,166
Non-current	94,823	39,428	94,823	39,428
Current	64,304	26,738	64,304	26,738
	159,127	66,166	159,127	66,166

Government grant arises as a result of the benefit received from below-market-interest rate government assisted loans, obtained from the Bank of Industry. In year 2023, the Group obtained bank of industry loan to augment working capital and for the procurement of plant and machinery for the company's paint manufacturing business. The grant will be amortised on a systematic basis over the average useful life of the asset items

23 Loans and borrowings

Bank of Industry

Financial Derivative Company Ltd

Analysis of loans and borrowings

Non current borrowings

Current borrowings

	Group		Company	
	2026	2025	2026	2025
	N'000	N'000	N'000	N'000
Bank of Industry	180,767	219,990	180,767	219,990
Financial Derivative Company Ltd	209,078	238,192	209,078	238,192
	389,845	458,182	389,845	458,182
Analysis of loans and borrowings				
Non current borrowings	231,003	231,003	231,003	231,003
Current borrowings	158,842	227,179	158,842	227,179

Notes to the Consolidated and Separate financial statements
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Bank of Industry Loan

- i The loan was obtained to finance the procurement of plant and machinery for the company's paint manufacturing business. The applicable rate is 9% per annum. The loan is repayable over a period of 72 months (including a moratorium of 12 months between October 2023 to September 2025).
- ii The loan was obtained to augment working capital for the procurement of raw material. The applicable interest rate is 12% per annum. The loan is repayable over a period of 36 months (including a moratorium of 12 months including October 2023 to September 2025).

Financial Derivative

Financial derivative: This represents a loan of ₦274,007,287.50 obtained by the company for the acquisition of a motor vehicle classified as a right-of-use asset. The loan is repayable over a period of 24-months and the applicable interest rate is 28% per annum. As collateral, the company will deposit all spare keys and original document with Financial derivative company.

24 Dividends

The following dividends were declared and paid by the Company;

	Per share (Kobo)	Mar-26 N'000	Per share (kobo)	Dec-25 N'000
Interim Dividend declared	-	-	40	115,929
Dividend Declared	-	-	125	362,279

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

25 Dividend payable

The movement in dividend payable is as follows:

In thousands of naira

	31-Mar-26	31-Dec-25	31-Mar-26	31-Dec-25
At 1 January	128,732	362,757	128,732	362,757
Declared dividend	-	289,823	-	289,823
Payments	-	(523,848)	-	(523,848)
At Period end	128,732	128,732	128,732	128,732