



**McNICHOLS CONSOLIDATED PLC**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST DECEMBER, 2024**

Prepared by:

**GBENGA BADEJO & CO**  
**(CHARTERED ACCOUNTANTS)**

**McNICHOLS CONSOLIDATED PLC**

**Financial Statements**

**For the year ended 31st December, 2024**

<b>Contents</b>	<b>Page(s)</b>
Board of Directors, Officers and Other Corporate Information	1
Results at a Glance	2
Management's Annual Assessment of, and Report on Internal Control over Financial Reporting	3
Certification of Management assessment on Internal Control over Financial Reporting	4
Report of the Audit Committee	5
Report of the Independent Auditors to the Members	6 - 10
Report of the Independent Auditor's Limited Assurance	11 - 12
Statement of Profit or Loss and Other Comprehensive Income	13
Statement of Financial Position	14 - 15
Statement of Changes in Equity	16
Statement of Cash Flows	17
Notes to the Financial Statements	18 - 48
Other National Disclosures	49 - 50

**McNICHOLS CONSOLIDATED PLC**

**Board of Directors, Officers and Other Corporate Information**

**BOARD OF DIRECTORS:**

Mr. Olusegun Layode	Non-Executive Director and Chairman
Mr. Chimaraoke Ekpe	Managing Director/Chief Executive Officer
Venerable Onyebuchi Agubesi	Non-Executive Director
Mrs. Nneka Briggs	Non-Executive Director
Mr. Nzeakor Atulomah	Independent Non-Executive Director
Mrs. Hilda Nkor	Independent Non-Executive Director

**COMPANY SECRETARIES**

S.E. Nomuoja & Co.  
(Chartered Secretaries & Administrators)  
12B, Fagba Crescent, Off Acme Road  
Agidingbi, Ikeja  
Lagos.

**REGISTERED OFFICE**

No. 7, Jeminat Laalu Street  
Arepo, Near Journalist Estate  
KM 32, Lagos-Ibadan Expressway  
Ogun State.

**REGISTRARS**

Coronation Registrars Limited  
9, Amodu Ojikutu Street  
Victoria Island  
Lagos.

**INDEPENDENT AUDITORS**

Gbenga Badejo & Co.  
(Chartered Accountants)  
Plot 8A, Ajumobi Olorunjoje Street  
Off Acme Road  
Ikeja  
Lagos.

**BANKERS**

Access Bank Plc  
Eco Bank Plc  
Fidelity Bank Plc  
United Bank for Africa Plc  
Wema Bank Plc  
Zenith Bank Plc

**REGISTRATION NUMBER**

RC: 509201

**McNICHOLS CONSOLIDATED PLC**

**Results at a Glance  
For the year ended 31st December, 2024**

	<b>Year 2024</b>	<b>Year 2023</b>
	<b>₦</b>	<b>₦</b>
Turnover	<u>5,801,919,272</u>	<u>1,594,612,866</u>
Operating profit	108,499,018	38,563,091
Profit before tax	151,709,555	48,330,516
Taxation	35,946,509	10,264,716
Deferred taxation	(21,120,301)	(8,543,198)
Profit for the year	<u>115,074,571</u>	<u>27,522,602</u>
Capital employed	662,052,322	591,649,477
Capital expenditure	140,655,880	78,534,750
Depreciation and impairment of property, plant and equipment	70,193,553	39,286,481
Cash and cash equivalents	309,901,052	283,927,749
Earnings per share (Kobo)	10.30	2.46
Net Assets per share (Naira)	0.59	0.53
Nigerian Exchange Limited share price at 31st December (Naira)	1.61	0.84
<b>Ratio % Revenue</b>		
Operating costs	98.13%	97.59%
Operating profit	1.87%	2.42%
Profit after tax	1.98%	1.73%

**McNICHOLS CONSOLIDATED PLC**

**Annual Report and Financial Statements**  
**For the year ended 31st December, 2024**

**Management's Annual Assessment of, and Report on Internal Control over Financial Reporting**

We, the undersigned, as the Chairman and Managing Director of McNichols Consolidated Plc, hereby certify, to the best of our knowledge and belief, the following:

**1. Responsibility for Internal Control:**

We are responsible for establishing and maintaining adequate internal control over financial reporting for McNichols Consolidated Plc, including the design, implementation, and maintenance of such controls.

**2. Assessment of Internal Control:**

We have performed an assessment of the effectiveness of McNichols Consolidated Plc's internal control over financial reporting as at December 31, 2024.

**3. Framework Used:**

We used the framework established by the Committee of Sponsoring Organizations (COSO) in "Internal Control – Integrated Framework" to assess our internal controls.

**4. Statement of Effectiveness:**

Based on our assessment, we conclude that McNichols Consolidated Plc's internal control over financial reporting was effective as at December 31, 2024.

**5. Material Weaknesses:**

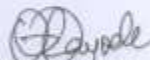
We are not aware of any material weaknesses in internal control over financial reporting as at December 31, 2024.

**6. Disclosure of Controls:**

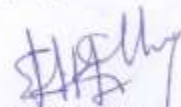
We have disclosed to the company's auditors all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting that we are aware of, and have taken steps to address them.

**7. No Material Misstatements:**

We believe that the financial statements for the financial year ended December 31, 2024, fairly present, in all material respects, the financial position, results of operations, and cash flows of McNichols Plc in accordance with generally accepted accounting principles (GAAP) and the International Financial Reporting Standards (IFRS).



Olusegun Layode  
FRC2016/CAN/0000015366  
Chairman



Chimaraeke Ekpe  
FRC/2016/PRODR/003/00000014307  
Managing Director

## McNICHOLS CONSOLIDATED PLC

Annual Report and Financial Statements  
For the year ended 31st December, 2024

### Certification of Management assessment on Internal Control over Financial Reporting

I, Mr. Chimaraoke Ekpe, (the Managing Director) and Mr. Adebayo Temitope, (the Finance Manager) of McNichols Consolidated Plc both certify that:

a) We have reviewed this annual report and financial statements of McNichols Consolidated Plc for the year ended 31st December, 2024.

b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

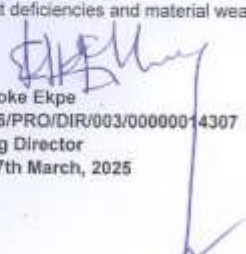
d) I, as the Managing Director/ Chief Executive Officer (MD/CEO) and my team:

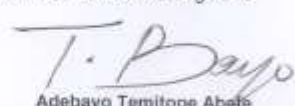
1. Are responsible for establishing and maintaining internal controls;
2. Have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
3. Have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
4. Have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e) I, as the Managing Director/ Chief Executive Officer (MD/CEO) and my team have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors:

1. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
2. Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f) I, as the Managing Director/ Chief Executive Officer (MD/CEO) and my team have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

  
Chimaraoke Ekpe  
FRC/2016/PRO/DIR/003/00000014307  
Managing Director  
Dated: 27th March, 2025

  
Adebayo Temitope Abefe  
FRC/2021/PRO/CAN/001/00000022401  
Finance Manager  
Dated: 27th March, 2025

**REPORT OF THE AUDIT COMMITTEE  
TO THE MEMBERS OF McNICHOLS CONSOLIDATED PLC**

In compliance with section 359 sub-section 6 of the Companies and Allied Matters Act (CAP C20), Laws of the Federation of Nigeria, 2020, we have reviewed the audited Financial Statements of the company for the year ended 31st December 2024 and report as follows:

1. The accounting and reporting of the Company are consistent with legal requirements and ethical practices.
2. The internal audit programmes are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems.
3. We have considered the independent auditors post audit report in respect of the year ended 31st December, 2024 and management responses thereon, and are satisfied thereto.

**Members of the Audit Committee are:**

- |                                    |                              |
|------------------------------------|------------------------------|
| 1. Mr. Godsilove Okorie            | Shareholders' Representative |
| 2. Mr. Akimbo Oladimeji Ayinla     | Shareholders' Representative |
| 3. Comrade Babatunde Sulay Elekede | Shareholders' Representative |
| 4. Venerable Onyebuchi Agubesi     | Non-Executive Director       |

Dated this 27th March, 2025



Mr. Godsilove Okorie  
Chairman, Audit Committee  
FRC/2013/CAN/0000001869

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS  
OF McNICHOLS CONSOLIDATED PLC**

**Opinion**

We have audited the financial statements of McNichols Consolidated Plc, which comprise, the statement of profit or loss and other comprehensive income, the statement of financial position as at 31st December, 2024, the statement of cash flows for the year ended, the significant accounting policies and other explanatory notes. These financial statements are set out on pages 13 to 50 and have been prepared using the notes to the financial statements set out on pages 18 to 48.

In our opinion, the financial statements give a true and fair view of the financial position of McNichols Consolidated Plc as at 31st December, 2024 and of the company's financial performance and cash flows for the year ended on that date, and comply with the relevant sections of the Companies and Allied Matters Act CAP C20 LFN 2020 and the applicable International Financial Reporting Standards as adopted by the Financial Reporting Council of Nigeria.

**Basis of our opinion**

An audit involves performing procedures so as to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making the assessments, the auditor considers the internal controls that are relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the information contained within the financial statements.

**Key Audit Matters**

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS  
OF McNICHOLS CONSOLIDATED PLC - (continued)**

**Key Audit Matters (continued)**

Key Audit Matters	How the Matter was addressed in the audit
<b>Contingencies:</b>	
On the above, we observed that the Company made provision of N123.76 million as at 31st December, 2024.	Increment of N38.76 million has been confirmed during the year.
Disclosure of the Contingencies.	The opening balance of N85 million from prior year and the increment of N38.76 million has been reported in the financial statements in accordance with relevant section of IFRS.
<b>Addition to Property, Plant &amp; Equipment:</b>	
On the above, we observed a total amount of N140,655,880 as the company expenditure on Plant & Machinery as well as Office Equipment.	The effect has been considered in the addition during the year of Property, Plant & Equipment accordingly.
Disclosure of the Plant & Machinery and Office Equipment.	We assessed the adequacy of the amount disclosed regarding the Plant & Machinery and Office Equipment in the financial statements to determine they were in accordance with IFRS.
<b>Turnover:</b>	
On the above, we observed that the Company revenue increased by 263.85% compared with year 2023 while its Direct Cost recorded an increase of 279.55% when also compared with year 2023.	The effect has been traced to increase in Direct Cost as well as Revenue lines of N3.76 billion and N4.2 billion respectively during the year.
Disclosure of the Turnover.	We assessed the adequacy of disclosure regarding the Turnover in the financial statements to determine they were in accordance with IFRS.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS  
OF McNICHOLS CONSOLIDATED PLC - (continued)**

**Responsibilities of the Directors for the Financial Statements**

**Other information**

The directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Chairman's Statement, Statement of Directors' Responsibility, Report of the Audit Committee, Value Added Statement and Five Year Financial Summary as required by the Companies and Allied Matters Act, CAP C20, Laws of the Federal Republic of Nigeria 2020, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements and our Auditors' report thereon.

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

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

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

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards as adopted by the Financial Reporting Council of Nigeria. This responsibility includes: the designing, implementing and maintaining internal controls that are relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; as well as selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

**Auditors' responsibility**

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS  
OF McNICHOLS CONSOLIDATED PLC - (continued)**

**Auditors' responsibility - (continued)**

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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

Evaluate the overall presentations, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our Auditors' report unless law or regulatory precludes public disclosure about the matter or when, in extremely rare circumstances of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS  
OF McNICHOLS CONSOLIDATED PLC - (continued)**

**Report on other legal and regulatory requirements**

In accordance with the requirement of schedule 6 of the Companies and Allied Matters Act CAP C20 LFN 2020, we confirm that:

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

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

the Company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the Books of Account.

The Engagement Partner on the audit resulting in this independent auditor's report is:-



Emmanuel Igemokhai Ogiaga, FCA  
FRC/2021/004/0000024269  
Audit Partner  
Gbenga Badejo & Co.  
Chartered Accountants  
Plot 8a, Ajumobi Olorunjoje Street,  
Off Acme Road, By First Bank,  
Agidingbi,  
Ikeja, Lagos State.

DATED: 27TH MARCH, 2025



**Lagos Office:**

Plot 8A, Ajumobi Olorunsoje Street,  
Off Acme Road,  
Ikeja, Lagos State.

**Abuja Liaison Office:**  
Suite 317, Lozumba Complex,  
Area 10, Garki, Abuja

Tel: 08096227865,  
[info@gbc-consult.com](mailto:info@gbc-consult.com)  
[accounting@gbco.co.uk](mailto:accounting@gbco.co.uk)  
[www.gbc-consult.com](http://www.gbc-consult.com)

**REPORT OF THE INDEPENDENT AUDITOR'S LIMITED ASSURANCE  
TO THE MEMBERS OF MCNICHOLS CONSOLIDATED PLC**

**Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control  
Over Financial Reporting**

**Conclusion**

We have performed a limited assurance engagement on whether internal control over financial reporting of McNichols Consolidated Plc as of 31 December 2024 is effective in accordance with the criteria established by Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and the Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's internal control over financial reporting as of 31 December 2024 is not effective, in all material respects, in accordance with the COSO Framework and the Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007.

**Basis for conclusion**

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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

**Other matter**

We have audited the financial statements of McNichols Consolidated Plc in accordance with the International Standards on Auditing, and our report dated 27th March 2025 expressed an unmodified opinion of those financial statements. Our conclusion is not modified in respect of this matter.

**Responsibilities for Internal Control over Financial reporting**

The Board of Directors of McNichols Consolidated Plc is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on the Effectiveness of Internal Control over Financial Reporting. Our responsibility is to express a conclusion on the Company's internal control over financial reporting based on our assurance engagement.



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#### Our responsibilities

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting ("the Guidance") requires that we plan and perform the assurance engagement and provide a limited assurance report on the Company's internal control over financial reporting based on our assurance engagement.

#### Summary of the work we performed as the basis for our conclusion

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

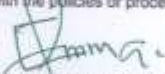
The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

#### Definition and Limitations of Internal Control Over Financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

  
Emmanuel Igemokhai Ogiaga, FCA  
FRC/2021/004/06000024269  
For Gbenga Badejo & Co.  
Chartered Accountants  
Lagos Nigeria  
Dated: 27th March, 2025



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**McNICHOLS CONSOLIDATED PLC**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER, 2024**

	Notes	Year 2024 N	Year 2023 N
Turnover	7	5,801,919,272	1,594,612,866
Cost of Sales	12b	(5,331,261,659)	(1,404,624,841)
Distribution, Marketing and Other Expenses	12b	(149,956,584)	(89,746,633)
Administrative Expenses	12b	(216,708,615)	(66,213,611)
Other Income	8	4,508,604	3,534,510
<b>Operating Profit</b>		<b>108,499,018</b>	<b>38,563,091</b>
Financial Income	11	49,938,396	17,919,293
Financial Cost	11	(6,727,859)	(10,151,888)
<b>Profit Before Tax</b>		<b>151,709,555</b>	<b>46,330,516</b>
Income Tax Expense	14	(35,946,509)	(10,264,716)
<b>Profit After Tax</b>		<b>115,763,046</b>	<b>36,065,800</b>
Deferred Tax Movement	15	(21,120,301)	(8,543,196)
Other Comprehensive Income for the year			
Investment Income	9	20,431,826	-
<b>Total Comprehensive Income for the year</b>		<b>115,074,571</b>	<b>27,522,602</b>
<b>Profit for the year attributable to owners of the company</b>		<b>115,074,571</b>	<b>27,522,602</b>
<b>Earnings per share for profit attributable to owners of the parent:</b>			
Basic (Kobo)	18	10.30	2.46

The notes on pages 18 to 48 form an integral part of these financial statements.

McNICHOLS CONSOLIDATED PLC

STATEMENT OF FINANCIAL POSITION  
AS AT 31ST DECEMBER, 2024

	Notes	Year 2024 N	Year 2023 N
<b>Non-Current Assets</b>			
Property, Plant and Equipment	16	390,713,699	320,251,372
Investments	26	1,002,420	6,400,000
<b>Total Non-Current Assets</b>		<b>391,716,119</b>	<b>328,651,372</b>
<b>Current Assets</b>			
Inventories	19	407,239,495	275,371,990
Trade and Other Receivables	17	188,903,940	165,970,869
Cash and Cash Equivalents	20	309,901,052	283,927,749
Restricted Cash	20	16,683,803	16,731,169
<b>Total Current Assets</b>		<b>922,728,290</b>	<b>742,001,778</b>
<b>Total Assets</b>		<b>1,314,444,409</b>	<b>1,068,653,149</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	24	424,903,059	293,826,739
Loans and Borrowings	22	24,062,500	41,250,000
Current Tax Liabilities	14	35,946,509	10,264,716
<b>Total Current Liabilities</b>		<b>484,912,069</b>	<b>345,341,455</b>
<b>Non-Current Liabilities</b>			
Loans and Borrowings	22	-	24,062,500
Provisions	25	123,760,000	85,000,000
Deferred Tax Liabilities	15	43,720,018	22,599,717
<b>Total Non-Current Liabilities</b>		<b>167,480,018</b>	<b>131,662,217</b>
<b>Equity</b>			
Ordinary Share Capital	21	558,396,565	558,396,565
Share Premium	21	5,576,000	5,576,000
Retained Earnings	21	98,079,757	27,678,912
<b>Total Equity</b>		<b>662,052,322</b>	<b>591,649,477</b>
<b>Total Equity and Liabilities</b>		<b>1,314,444,409</b>	<b>1,068,653,149</b>

**McNICHOLS CONSOLIDATED PLC**

**STATEMENT OF FINANCIAL POSITION (Continued)  
AS AT 31ST DECEMBER, 2024**

These financial statements were approved by the Board of Directors on 27th March, 2025 and signed on its behalf by:



Olusegun Layode  
Chairman  
FRC/2016/CAN/00000015385



Chimaraoke Ekpe  
Managing Director  
FRC/2016/PRO/DIR/003/00000014307



Adebayo Temitope Abefe  
Finance Manager  
FRC/2021/PRO/CAN/001/00000022401

The notes on pages 18 to 48 form an integral part of these financial statements.

**McNICHOLS CONSOLIDATED PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 31ST DECEMBER, 2024**

	Share Capital N	Share Premium N	Retained Earnings N	Total Equity N
Balance at 1st January 2023	359,370,000	13,723,990	7,341,710	380,435,700
<b>Total Comprehensive Income for the year</b>	-	-	27,522,602	27,522,602
<b>Transactions with the owners</b>				
Dividend declared	-	-	(7,187,400)	(7,187,400)
Bonus issue of ordinary shares	199,026,565	(8,147,990)	-	190,878,575
At 31st December, 2023	<u>558,396,565</u>	<u>5,576,000</u>	<u>27,676,912</u>	<u>591,649,477</u>
<b>Balance at 1st January, 2024 as previously reported</b>	558,396,565	5,576,000	27,676,912	591,649,476
Adjustment	-	-	-	-
<b>Adjusted balance on 1st January, 2024</b>	558,396,565	5,576,000	27,676,912	591,649,476
<b>Total Comprehensive Income for the year</b>	-	-	115,074,571	115,074,571
<b>Transactions with the owners</b>				
Dividend declared	-	-	(44,671,725)	(44,671,725)
At 31st December, 2024	<u>558,396,565</u>	<u>5,576,000</u>	<u>98,079,757</u>	<u>662,052,322</u>

The notes on pages 18 to 48 form an integral part of these financial statements.

McNICHOLS CONSOLIDATED PLC

STATEMENT OF CASH FLOWS  
AS AT 31ST DECEMBER, 2024

	Note	Year 2024 N	Year 2023 N
<b>Cash flows from operating activities</b>			
Cash generated from operations		151,709,555	46,330,516
Income tax expense		(35,946,509)	(10,264,716)
Net Income		115,763,046	36,065,800
<i>Adjustments to reconcile net income to net cash provided by operating activities:</i>			
Depreciation and amortisation		57,895,427	30,534,522
Changes in Current Assets/Liabilities:			
Decrease in inventories		(131,867,504)	(182,761,775)
Increase in accounts and other receivables		(23,477,293)	(55,149,073)
Decrease in prepaid expenses		544,221	3,344,219
Increase in account payables		139,570,814	238,428,899
<b>Net Cash Provided by Operating Activities</b>		<u>158,428,511</u>	<u>70,462,591</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(140,655,880)	(76,534,750)
Adjustment of property, plant and equipment		12,298,126	8,751,958
Discontinued Operation		20,431,826	-
Investment		5,397,580	(580,000)
<b>Net cash used in investing activities</b>		<u>(102,528,349)</u>	<u>(70,362,792)</u>
<b>Cash flows from financing activities</b>			
Loans and borrowing		(24,062,500)	(41,250,000)
Provisions		38,760,000	(2,000,000)
Dividend Paid		(44,671,725)	(7,187,400)
Share increase/public offer expenses		(0)	190,878,575
<b>Net cash flow generated from financing activities</b>		<u>(29,974,225)</u>	<u>140,441,175</u>
Net increase in cash and cash equivalents		25,925,937	140,540,974
Cash and cash equivalents at the beginning of the year		<u>300,658,918</u>	<u>160,117,944</u>
<b>Cash and cash equivalents at the end of the year</b>	20	<u>326,584,855</u>	<u>300,658,918</u>

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements For the year ended 31st December, 2024

#### 1 Reporting entity

McNichols Consolidated Plc ("the Company") is a Company domiciled in Nigeria. The address of the Company's registered office is at 7 Jeminat Laalu Street, near Journalist Estate Arepo, off Km 32 Lagos Ibadan Expressway Ogun State. The Company is listed on the Nigerian Exchange Limited. The principal activities of the Company continue to be the manufacturing, packaging, marketing and distribution of food and beverage products.

#### 2 Basis of preparation

##### (a) Statement of compliance

The financial statements of McNichols Consolidated Plc. have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost basis, except for the following items which are measured on an alternative basis on each reporting date:

Items	Measurement basis
Inventories	Lower of cost and net realisable value

##### (b) Functional and presentation currency

The financial statements are presented in Nigerian Naira, which is the Company's functional and presentation currency.

##### (c) Going concern

Nothing has come to the attention of the directors to indicate that McNichols Consolidated Plc will not remain a going concern for at least twelve months from the date of approval of these financial statements.

#### 3 Significant Accounting Policies

The Company has applied the following accounting policies to 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:

Financial instruments	15
Property, plant and equipment	18
Biological assets	19
Investments	19
Inventories	19
Impairment of Non-financial assets	20
Employee benefits	20
Provisions	21
Contingent liabilities	21
Statement of cash flows	21
Revenue	21
Advance payment to suppliers	22

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

Finance income and finance costs	23
Income tax	23
Earnings per share	23
Segment reporting	23
Dividends	23
Related parties	23

#### (A) Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

#### (i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### Impairment of financial assets

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The expected credit losses on financial assets are adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

#### (ii) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort.

Forward-looking information considered includes the future prospects of the market in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

#### (ii) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company). Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 60 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### (iii) Credit - impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (i) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

#### (iv) Write off policy

The Company writes off a financial asset when there is sufficient information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when all economic attempts to recover the outstanding amount have failed or when the period within which the debt can be legally enforced has expired or unable to locate debtor or debtor passed away leaving no asset, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

#### (v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account. For trade receivables, the Company applies a simplified approach in calculating ECLs.

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

(v) **Measurement and recognition of expected credit losses - (Continued)**

Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

**Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(ii) **Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

**Subsequent measurement**

All financial liabilities are measured subsequently at amortised cost using the effective interest method. Financial liabilities measured subsequently at amortised cost are not:

- (i) contingent consideration of an acquirer in a business combination,
- (ii) held-for-trading, or
- (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

#### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

#### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

#### Offsetting of financial instruments

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

#### (III) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

#### (B) Property, plant and equipment

##### I. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

#### (B) Property, plant and equipment - (Continued)

##### II. Subsequent costs

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. 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 recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

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

• Buildings	20 years
• Plant and machinery	5 years
• Motor vehicles	3 years
• Furniture and fittings	4 years

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. Land has unlimited useful life so it is not depreciated.

#### (C) Biological assets

Biological assets are measured at fair value less selling costs. They represent investments in crops, poultry and fishery during the year under review. Changes in fair value less costs to sell are included in the profit or loss account.

#### (D) Investment

Investment is measured at fair value in statement of financial position with changes recognized in the statement of profit or loss.

#### (E) Inventories

Inventory is 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. Cost incurred in bringing each product to its present location and condition is based on:

- (i) Raw and packaging materials and purchased finished goods — purchase cost on a first-in, first-out basis including transportation and clearing costs.

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

#### (E) Inventories - (Continued)

- (ii) Products in process and manufactured finished goods—Weighted average cost of direct material and labour plus a reasonable proportion of manufacturing overhead based on normal levels of activity.
- (iii) Engineering spares—Purchase cost on a weighted average cost basis including transportation and clearing cost.
- (iv) 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.

Engineering spares are classified as inventory and are recognised in the profit or loss account as consumed. Allowance is made for obsolete, slow moving or defective items where appropriate.

#### (F) Impairment of Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit (CGU). For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the —cash-generating unit, or CGU!).

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis. In respect of other assets (excluding Goodwill for which impairment loss is not reversed), impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

#### (G) Employee benefits

##### • Defined contribution plans

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

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. The Company has a pension fund scheme in operation.

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

#### (G) Employee benefits - (Continued)

##### • Pension fund scheme

In line with the provisions of the Pension Reform Act 2014, the Company instituted a defined contribution pension scheme for Staff. Staff contributions to the scheme are funded through payroll deductions while the Company's contributions are charged to the profit and loss account. The Company's contribution is 10% for all staff while employees contribute 8% of their monthly emolument (basic, housing and transport).

#### (H) 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.

#### (I) Contingent liabilities

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

#### (J) Statement of cash flows

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 depreciation, and other non-cash items have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Net finance cost is included in financing activities.

#### (K) Revenue

##### Revenue from contracts with customers IFRS 15

##### • Sale of goods

The Company is into manufacturing, marketing and distribution of food products. Sales are recognized when control of the products has transferred, being when the products are shipped to the customer. Sales occur when the products have been shipped to the specific location and either the Distributor has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

##### • Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods may provide customers with a right of return and trade incentives. The rights of return and trade incentives give rise to variable consideration.

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

- **Rights of return**

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability.

- **Trade incentives**

The Company provides incentives to customers who achieve certain targets or for purchasing certain products from time to time. Incentives are credited to the customer's account, available for purchase of products. The Company calculates actual incentive for each relevant period. The Company does not offer trade incentives for periods further than the current reporting period.

- **Significant financing component**

Generally, the Company receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

#### **Contract balances**

- **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets.

- **Contract Asset**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

- **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### **Assets and liabilities arising from rights of return**

- **Right of return assets**

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

#### • Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities and the corresponding change in the transaction price at the end of each reporting period.

#### (L) Advance payment to suppliers

Advance payments represent payments made to vendors for materials and services not yet rendered or supplied as at year end.

#### (M) Finance income and finance costs

Net finance cost includes interest expense on borrowings as well as interest income on funds invested. Net finance cost is the excess of finance cost over finance income.

#### (N) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years. 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 is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been statutorily enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### (O) Earnings per share

The Company presents basic 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.

#### (P) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. The Company is focused on food and beverage products. Consequently the Company segments its reporting along food products and beverage products.

#### (Q) Dividends

Dividends are recognised as liability in the period they are declared. Dividends which remained unclaimed are treated in accordance with Securities and Exchange Commission rules and regulations.

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

#### (R) Related parties

Related parties include the 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.

#### IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases. IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17. The preliminary assessment indicates that this new standard has no impact in our operations.

#### IFRS 17 Insurance contracts

The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach. The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it takes into account market interest rates and the impact of policyholders' options and guarantees. The implementation of the Standard is likely to bring significant changes to an entity's processes and systems, and will require much greater co-ordination between many functions of the business, including finance, actuarial and IT. The Standard is effective for annual reporting periods beginning on or after 1 January 2021, with early application permitted. It is applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application. The directors of the Company do not anticipate that the application of the Standard in the future will have an impact on the Company's financial statements.

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

#### Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendment clarifies that IFRS 9, including its impairment requirements, applies to long-term interests.

#### Amendments to IAS 28: Long-term interests in associates and joint ventures (Continued)

Furthermore, in applying IFRS 9 to long-term interests, an entity does not take into account adjustments to their carrying amount required by IAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28). The amendments are effective for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted. Specific transition provisions apply depending on whether the first-time application of the amendments coincides with that of IFRS 9. The preliminary assessment indicates that this new standard has no impact on our operations.

#### IFRIC 23 Uncertainty over income tax treatments

IFRIC 23 sets out 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. The interpretation is effective for annual periods beginning on or after 1 January 2019. Entities can apply the interpretation with either full retrospective application or modified retrospective application without restatement of comparatives retrospectively or prospectively. The directors of the Company have assessed the impact of this amendment for the period under review and no impact was observed on the Company's financial statements.

#### Amendments to IFRS 9: Prepayment features with negative compensation

The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendment applies to annual periods beginning on or after 1 January 2019, with earlier application permitted. There are specific transition provisions depending on when the amendments are first applied, relative to the initial application of IFRS 9. The application of the amendments has no significant impact on the Company's financial statements.

#### Amendments to IAS 19: Plan amendment, curtailment or settlement

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position).

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

#### Amendments to IAS 19: Plan amendment, curtailment or settlement - (Continued)

IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income. The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. An entity will now be required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19 99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)). The amendments are applied prospectively. They apply only to plan amendments, curtailments or settlements that occur on or after the beginning of the annual period in which the amendments to IAS 19 are first applied.

The amendments to IAS 19 must be applied to annual periods beginning on or after 1st January 2019, but they can be applied earlier if an entity elects to do so. The directors of the Company have assessed the impact of application of the amendments and hereby report that no significant impact was seen on the Company's financial statements.

#### Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company do not anticipate that the application of the amendments in the future will have a significant impact on the Company's financial statements.

#### 4 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The management of the Company revises its estimates and assumptions on a regular basis to ensure that they are relevant regarding the past experience and the current economic and political environment. Estimates and underlying assumptions are reviewed on an on-going basis.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The accounting for certain provisions, certain financial instruments and the disclosure of financial assets, contingent assets and liabilities at the date of the financial statements is judgmental. The items, subject to judgment, are detailed in the corresponding notes to the financial statements. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are discussed below:

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

#### 4 Significant accounting judgements, estimates and assumptions - (Continued)

##### 4.1 Critical accounting judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

- Determining method to estimate variable consideration and assessing the constraint.

Certain contracts for the sale of products include a right of return that gives rise to variable consideration.

In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

- Determining the timing of satisfaction of sales of goods.

The Company concluded that revenue for sales of goods is to be recognised as a point in time; when the customer obtains control of the goods. The Company assesses when control is transferred using the indicators below:

- The Company has a present right to payment for the goods;
- The Company has transferred physical possession of the asset;
- The customer has the significant risks and rewards of ownership of the goods; and
- The customer has accepted the asset.

##### Key Sources Of Estimation Uncertainty

###### Estimated useful lives and residual values of property, plant and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its items of property, plant and equipment on an annual basis. The Company has carried out a review of the residual values and useful lives of property, plant and equipment as at 31 December 2021 and that has not highlighted any requirement for an adjustment to the residual values and remaining useful lives of the assets for the current or future periods.

##### Impairment testing

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available unobservable inputs that are developed based upon the best information available under the circumstances, which might include the Company's own data less incremental costs of disposing of the asset.

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

#### Impairment testing - (Continued)

The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next fifteen years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

#### Provision for expected credit losses (ECL) of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forwardlooking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

#### Estimating variable consideration for returns

The Company estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and trade incentives. The Company developed a statistical model for forecasting sales returns. The model used the historical return data of each year to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Company. The Company's expected trade incentives are analysed on a per customer basis. Determining whether a customer will be likely entitled to trade incentive will depend on the customer's historical incentive entitlement and accumulated performance to date. The Company applies a statistical model for estimating expected trade incentives. The model uses the historical purchasing patterns and incentive entitlement of customers to determine the expected incentive percentages and the expected value of the variable consideration.

Any significant changes in experience as compared to historical purchasing patterns and incentive entitlements of customers will impact the expected incentive percentages estimated by the Company.

The Company updates its assessment of expected returns periodically and the refund liabilities are adjusted accordingly. Estimates of expected returns are sensitive to changes in circumstances and the Company's past experience regarding returns may not be representative of customers' actual returns in the future.

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

#### Measurement of the expected credit loss allowance for financial asset

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

#### Provision for legal matters

The Company makes provisions for legal matters based on its judgement as to the probability of liability arising from such legal matters.

**McNICHOLS CONSOLIDATED PLC**

**Notes to the Financial Statements - (Continued)**  
**For the year ended 31st December, 2024**

**5 Operating segments**

**(a) Basis of segmentation**

The Company is focused on food and beverage products. All operational activities of the company are focused on the manufacturing, sales and distribution of food and beverage products.

Segment	Description
Food products	This includes the production and sale of oatmeal products and Pancake House foods.
Beverages	
	This includes the production and sale of sugar products, chocolate flavoured milk products, tea and milk products.

Information regarding the results of each reportable segment is included in Note 6b

(b)	Food		Beverages		Others		Total	
	Year 2024 M	Year 2023 M	Year 2024 M	Year 2023 M	Year 2024 M	Year 2023 M	Year 2024 M	Year 2023 M
Revenue	225,606,329	244,501,129	5,578,312,943	1,350,111,736	-	-	5,801,919,272	1,594,612,866
Other income	-	-	-	-	24,827,530	3,534,510	24,827,530	3,534,510
Interest income	-	-	-	-	49,938,399	17,919,290	49,938,399	17,919,290
Interest expense	-	-	-	-	(2,371,967)	(10,161,868)	(2,371,967)	(10,161,868)
Depreciation	2,250,370	4,786,758	65,645,057	25,747,764	-	-	67,665,427	30,534,522
Reporting Segment profit before tax	5,917,971	7,019,073	148,274,526	39,311,443	-	-	152,192,497	46,330,516

There are no significant reconciling items between the reportable segment revenue and revenue for the year

Profit or loss	Year 2024 M	Year 2023 M
Total profit or loss for reportable segments	151,709,555	46,330,516
Other corporate expenses and income	-	-
Profit before income tax	<u>151,709,555</u>	<u>46,330,516</u>

**6 Geographical information**

	Year 2024	Year 2023
	M	M
	Revenue	Revenue
South West	4,389,719,963	688,492,461
South East	458,501,107	279,880,745
South South	594,897,125	300,037,769
North Central	264,483,106	233,948,161
North West	90,466,161	80,673,523
North East	<u>3,891,767</u>	<u>1,580,186</u>
Total revenue from contracts with customers	<u>5,801,919,272</u>	<u>1,594,612,866</u>

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

#### 7 Turnover

Revenue for the year which arose from sales of goods comprise:

	Year 2024	Year 2023
	N	N
Nigeria	5,801,919,272	1,594,612,866
Export	-	-
	<u>5,801,919,272</u>	<u>1,594,612,866</u>

All the company's revenue was made within Nigeria.

#### 7.1 Disaggregated revenue information

For the year ended 31st December 2024

	Food Products	Beverages	Total
	N	N	N
Goods transferred at a point in time:			
Total revenue	<u>225,606,329</u>	<u>5,576,312,943</u>	<u>5,801,919,272</u>

#### Disaggregation of revenue—quantitative disclosure

The Company has assessed that the disaggregation of revenue by operating segments is appropriate in meeting this disclosure requirement as this information is important in order to evaluate the financial performance of the entity. The Company determines that the categories used in the investor presentations can be used to meet the objective of the disaggregation disclosure requirement in paragraph 114 of IFRS 15, which is to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

#### 7.2 Performance obligations

Information about the Company's performance obligations are summarised below:

##### Sale of goods

The performance obligation is satisfied upon delivery of the product and payment is generally due within the customers credit days. Some contracts provide customers with a right of return and incentives which give rise to variable consideration subject to constraint.

McNICHOLS CONSOLIDATED PLC

Notes to the Financial Statements - (Continued)  
For the year ended 31st December, 2024

8 Other Income	Year 2024	Year 2023
	N	N
Sales of waste products, waste packaging materials and scraps	<u>4,508,604</u>	<u>3,534,510</u>
9 Investment Income	<u>20,431,826</u>	<u>-</u>

Above being income gain related to sales of Eurisell Interlinked Plc shares. See note 26 on page 47.

10 Right of return

In line with adoption of IFRS 15, a refund liability of N30,000,000 (2023: N600,000) has been recognised for the right to recover returned goods asset of N490,000 (2023: N490,000). Management has made an estimate based on historical trend of likely sales returns by customers subsequent to year end. The amount of revenue recognised is adjusted for expected returns. A refund liability (Note 24ii) and the right to recover returned goods asset have been recognised (Note 19).

11 Net finance cost

Finance income	<u>49,938,396</u>	<u>17,919,293</u>
Finance cost	<u>(6,727,859)</u>	<u>(10,151,868)</u>
Net finance cost	<u>43,210,537</u>	<u>7,767,425</u>

12 Profit before income tax

(a) Profit before income tax is stated after charging:

	Notes	Year 2024	Year 2023
		N	N
Depreciation	16	57,895,427	30,534,522
Auditors' remuneration		1,000,000	900,000
Directors' remuneration	13 (c)	8,049,996	3,007,500
Personnel expenses	13 (a)	60,025,836	46,365,270
Interest on loans and bank charges	11	6,727,859	10,151,868

**McNICHOLS CONSOLIDATED PLC**

**Notes to the Financial Statements - (Continued)**  
**For the year ended 31st December, 2024**

(b) Expenses by nature

	Notes	Year 2024 N	Year 2023 N
Depreciation	16	57,895,427	30,534,522
Impairments		12,296,126	8,751,958
Auditor's remuneration		1,000,000	900,000
Personnel expenses	13 (a)	60,025,836	46,365,270
General licence, fees/levies		6,907,885	2,148,670
Raw materials and consumables		5,120,867,053	1,287,748,915
Distribution expenses		120,476,909	74,558,362
Advertising & sales promotion		19,611,612	3,049,045
Factory overheads		77,844,718	46,623,750
Communication, printing, stationary & postages		2,673,262	2,564,099
Repairs & maintenance		41,043,851	26,709,415
Insurance		1,722,552	438,202
Transport, travels & entertainment		26,713,674	11,331,776
Rent		3,841,667	2,458,328
General & Admin Expenses		100,753,508	5,620,039
Legal Services		32,760,000	-
Other expenses		11,492,976	9,781,936
		<u>5,697,928,858</u>	<u>1,559,584,285</u>

	Year 2024 N	Year 2023 N
Summarised as follows:		
Cost of Sales	5,331,261,669	1,404,624,841
Marketing and distribution expenses	149,958,584	86,745,633
Administrative expenses	216,708,615	66,213,811
	<u>5,697,928,858</u>	<u>1,559,584,285</u>

**13 Personnel expenses**

(a) Personnel expenses for the year comprise the following:

	Year 2024 N	Year 2023 N
Salaries, wages and allowances	56,488,096	41,735,666
Contribution to pension	2,468,680	3,708,157
Medical	1,068,660	921,447
	<u>60,025,836</u>	<u>46,365,270</u>

**McNICHOLS CONSOLIDATED PLC**

**Notes to the Financial Statements - (Continued)**  
**For the year ended 31st December, 2024**

**13 Personnel expenses - Continued**

		Year 2024	Year 2023	
		N	N	
(b) Employees of the Company received remuneration in the following ranges:				
N	N			
200,000	-	300,000	0	0
300,001	-	400,000	0	10
400,001	-	500,000	0	18
500,001	-	600,000	5	3
600,001	-	700,000	7	6
700,001	-	800,000	5	11
800,001	-	900,000	5	3
900,001	-	1,000,000	2	10
900,001	-	1,000,000	18	0
		<u>42</u>	<u>61</u>	

The number of full-time persons employed per function as at 31st December was as follows:

	Year 2024	Year 2023
	Number	Number
Production	26	40
Sales and distribution	10	14
Administration	6	7
	<u>42</u>	<u>61</u>

**(c) Directors remuneration**

Remuneration paid to directors of the Company was as follows:

	Year 2024	Year 2023
	N	N
Directors' emoluments:		
Non executive directors	1,450,000	1,187,500
Executive director	<u>4,599,996</u>	<u>1,820,000</u>
	<u>6,049,996</u>	<u>3,007,500</u>

**McNICHOLS CONSOLIDATED PLC**

**Notes to the Financial Statements - (Continued)**  
**For the year ended 31st December, 2024**

(c) **Directors remuneration - Continued**

The directors' remuneration shown above includes:

	Year 2024	Year 2023
	N	N
Chairman	400,000	250,000
Highest paid director	4,599,996	1,820,000

Other directors receive emoluments in the range below:

N	N	Year 2024	Year 2023
350,000	250,000	Number	Number
		3	4
		<u>3</u>	<u>4</u>

**14 Current Tax Liabilities**

**Income Tax Expense**

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:

	Year 2024	Year 2023
	N	N
Current tax expense		
Current year income tax	29,281,831	8,062,661
Current year tertiary education tax	6,657,093	2,199,916
Current year police trust fund	7,585	2,140
	<u>35,946,509</u>	<u>10,264,716</u>
Deferred tax credit	21,120,301	8,543,198
Total income tax expense	<u>57,066,810</u>	<u>18,807,914</u>

**McNICHOLS CONSOLIDATED PLC**

**Notes to the Financial Statements - (Continued)**  
**For the year ended 31st December, 2024**

	Year 2024 M	Year 2023 M
<b>14 Current Tax Liabilities - Continued</b>		
Current tax liabilities		
Movement in current tax liabilities account during the year was as follows:		
At 1 January	10,264,716	5,807,460
Charge for the year	35,946,509	10,264,716
Payments/Adjustments in the year	<u>(10,264,717)</u>	<u>(5,807,460)</u>
At 31st December	<u>35,946,509</u>	<u>10,264,716</u>
<b>15 Deferred Tax</b>		
<b>(i) Per Income Statement</b>		
Carrying Amount	267,062,111	196,569,784
Tax Written Down Value	143,922,708	143,661,384
Unutilised Capital Allowance	<u>123,139,403</u>	<u>52,736,400</u>
Timing Difference		
Deferred tax liability at 30%	36,941,820	15,621,520
Deferred tax b/fwd	<u>15,821,520</u>	<u>7,278,322</u>
Deferred Tax Movement	21,120,301	8,543,198
<b>(ii) Per Financial Position</b>		
Balance as at 1 January 2024	22,599,717	14,056,519
Deferred Tax Movement	<u>21,120,301</u>	<u>8,543,198</u>
Balance as at 31st December 2024	<u>43,720,018</u>	<u>22,599,717</u>

McNICHOLS CONSOLIDATED PLC

Notes to the Financial Statements - (Continued)  
For the year ended 31st December, 2024

16 Property, Plant & Equipment

	Land N	Leasehold Building & Development M	Freehold Building N	Plant and Machinery M	Office Equipment M	Office Furniture and Fittings M	Motor Vehicle M	Total M
At 1st January, 2023	123,651,586	30,693,635	169,051,444 (8,751,959)	295,655,517	22,311,034	36,977,289	71,653,761	750,495,168 (8,751,959)
Adjustments	-	-	916,750	-	-	-	-	76,534,750
Additions	-	-	-	77,616,000	-	-	-	-
At 31st December, 2023	123,651,586	30,693,635	169,968,194	373,271,517	22,311,034	36,977,289	71,653,761	820,277,957
At 1st January, 2024	123,651,586	30,693,635	161,816,236 (12,298,126)	373,171,517	22,311,034	36,917,289	71,653,761	830,277,957 (12,298,126)
Adjustments	-	-	-	-	-	-	-	140,655,880
Additions	-	-	-	136,359,900	2,259,980	-	-	-
At 31st December, 2024	123,651,586	30,693,635	149,520,110	511,567,416	24,571,014	36,917,289	71,653,761	948,635,711
Accumulated depreciation and impairment losses:								
At 1st January, 2023	-	30,693,634	50,420,119 8,693,505	264,790,934 18,262,452	19,602,977 1,069,165	32,695,714 1,654,322	70,788,683 865,078	469,462,093 30,534,522
Charge for the year	-	-	-	-	-	-	-	-
At 31st December, 2023	-	30,693,634	59,103,624	283,053,386	20,672,142	34,350,036	71,653,761	500,026,586
Accumulated depreciation and impairment losses:								
At 1st January, 2024	-	30,693,634	49,103,624 7,885,776	263,053,386 47,264,181	20,672,142 1,061,137	34,350,037 1,654,323	71,653,761	500,026,586 57,695,427
Charge for the year	-	-	-	-	-	-	-	-
At 31st December, 2024	-	30,693,634	56,989,400	330,317,577	22,063,280	36,204,360	71,653,761	557,922,014
Carrying Amount								
At 31st December, 2023	123,651,586	1	102,714,611	90,118,130	1,339,791	2,427,252	-	320,251,371
At 31st December, 2024	123,651,586	1	82,630,709	181,249,839	2,508,634	772,929	-	390,713,698

**McNICHOLS CONSOLIDATED PLC**

**Notes to the Financial Statements - (Continued)**  
**For the year ended 31st December, 2024**

**Impairment test**

The assets of the company were subjected to impairment test and there were no impairment differences; assets have been recorded at their recoverable amount as shown in the PPE schedules.

**Security**

As at 31st December 2020, assets of the company were pledged as a security to WEMA Bank Plc for Bank Guarantee issued on behalf of the Company in favour of the Bank of Industry for the facility granted to the company by Bank of Industry.

**17 Trade & Other Receivables**

	Note	Year 2024 N	Year 2023 N
Accounts Receivable		175,964,111	154,285,636
Staff Loans and Advances	17 (b)	9,554,348	7,755,529
Prepayments		<u>3,385,483</u>	<u>3,929,704</u>
		<u>188,903,940</u>	<u>165,970,869</u>

Prepayments include prepaid loan charges of N418,821 (2023: N1,371,371)

**17(b) Staff loans**

Key management staff	5,322,093	3,100,000
Other staff	<u>4,232,253</u>	<u>4,655,529</u>
	<u>9,554,346</u>	<u>7,755,529</u>

The staff loan is on short term basis.

**18 Earnings Per Share**

**(a) Basic earnings per share**

Basic earnings per share is based on profit attributable to the owners of the Company for the year of N122,535,780 (year 2023: N27,522,602), on 1,116,793,129 (year 2023: 1,116,793,129) ordinary shares of 50 kobo each, in issue outstanding at reporting date.

	N	N
Earnings from continuing operations for the purpose of basic earnings per share	<u>115,074,571</u>	<u>27,522,602</u>
	<b>Number</b>	<b>Number</b>
Number of ordinary shares as at 31 December	<u>1,116,793,129</u>	<u>1,116,793,129</u>
Basic earnings per share (kobo)	<u>10.30</u>	<u>2.46</u>

**McNICHOLS CONSOLIDATED PLC**

**Notes to the Financial Statements - (Continued)**  
**For the year ended 31st December, 2024**

**18 Earnings Per Share - (Continued)**

**(b) Diluted earnings per share**

Diluted earnings per share is based on profit attributable to the owners of the Company for the year of ₦122,535,780 (2023: ₦27,522,602), on 1,116,793,129 (2023: 1,116,793,129) ordinary shares of 50 kobo each, in issue outstanding at reporting date.

	Year 2024 ₦	Year 2023 ₦
Earnings from continuing operations for the purpose of diluted earnings per share	<u>115,074,571</u>	<u>27,522,602</u>
	Number	Number
Number of ordinary shares as at 31st December	<u>1,116,793,129</u>	<u>1,116,793,129</u>
Diluted earnings per share (kobo)	<u>10.30</u>	<u>2.46</u>

There were no potentially dilutive shares at the reporting date thus the basic earnings per share and diluted earnings per share have the same value.

**19 Inventories**

Raw & Packaging Materials	406,749,495	274,881,990
Right to recover returned goods	490,000	490,000
Less: Provision for slow moving stock	<u>-</u>	<u>-</u>
	<u>407,239,495</u>	<u>275,371,990</u>

The value of inventories consumed during the year and recognised in cost of sales amounted to ₦5,025 million (2023: ₦1,281 million).

The right to returned goods asset represents the Company's right to recover products from customers where customers exercise their right of return under the Company's sale or returns policy. The Company uses its accumulated historical experience to estimate the number of returns in a year. In line with IFRS 15, right of returned goods asset of ₦490,000 was recognised. Consequently, a refund liability of ₦30,000,000 was recognised as amount payable in respect of the returned goods asset.

**McNICHOLS CONSOLIDATED PLC**

**Notes to the Financial Statements - (Continued)**  
**For the year ended 31st December, 2024**

20 Cash and Cash Equivalents	Year 2024	Year 2023
	N	N
Cash on hand	27,813	44,068
Cash at bank	<u>309,673,240</u>	<u>283,883,691</u>
	309,901,052	283,927,749
Restricted cash	<u>18,683,803</u>	<u>16,731,189</u>
	<u>326,584,855</u>	<u>300,658,918</u>

Restricted cash represents unclaimed dividends.

**Securities Trading Policy**

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) McNichols Consolidated Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares.

The Policy undergoes periodic reviews by the Board and is updated accordingly.  
 The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

**21 Capital, Reserves and Share Premium**

(a) Ordinary Share	Year 2024	Year 2023
	N	N
Issued and fully paid ordinary shares of 50k each At 31st December (in number of shares)	<u>1,116,793,129</u>	<u>1,116,793,129</u>
At 31st December (in Naira)	<u>558,396,565</u>	<u>558,396,565</u>

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at the general meetings of the Company.

(b) Share Premium	Year 2024	Year 2023
	N	N
The premium on the 1,116,793,129 ordinary shares of 50 kobo each is as follows:		
At 1st January	5,576,000	13,723,990
Share Capital Increase & Share Issue Costs	<u>(0)</u>	<u>(8,147,990)</u>
As at 31st December	<u>5,576,000</u>	<u>5,576,000</u>

**McNICHOLS CONSOLIDATED PLC**

**Notes to the Financial Statements - (Continued)**  
**For the year ended 31st December, 2024**

	Year 2024	Year 2023
	N	N
(c) Retained Earnings		
Revenue Reserves:		
Balance At 1st January	27,676,912	7,341,710
Profit retained for the year	<u>115,074,571</u>	<u>27,522,602</u>
Bonus Share Issue	142,751,483	34,864,312
Dividend	<u>(44,671,728)</u>	<u>(7,187,400)</u>
Balance At 31st December	<u>98,079,757</u>	<u>27,676,912</u>

**22 Loans and borrowings**

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings.

(a)

Loans and borrowing as at 31st December is as follows:

	Year 2024	Year 2023
	N	N
Secured bank loan (Note 22b)	<u>24,062,500</u>	<u>65,312,500</u>

Loans and borrowings are analysed into short and long term liabilities based on the time the repayment obligation falls due as follows:

	Year 2024	Year 2023
	N	N
Current liabilities	24,062,500	41,250,000
Non-current liabilities	<u>-</u>	<u>24,062,500</u>
	<u>24,062,500</u>	<u>65,312,500</u>

(b) **Secured bank loan**

This represents the loan obtained from the Bank of Industry (BOI). The bank issued a loan of N165 million to McNichols Plc at 8% interest for a period of 5 years (inclusive of a moratorium period of 12 months on principal only) ending 2025. The loan is secured by the guarantee of the Company's bankers. A portion of the outstanding principal amount and accrued interest is repaid monthly.

**McNICHOLS CONSOLIDATED PLC**

**Notes to the Financial Statements - (Continued)**  
**For the year ended 31st December, 2024**

(b) Reconciliation between opening and closing balances of the loans and borrowings is shown below:

	Year 2024	Year 2023
	N	N
At 1st January	65,312,500	106,562,500
Repayment	<u>(41,250,000)</u>	<u>(41,250,000)</u>
Net cash (outflow)/inflow	<u>(41,250,000)</u>	<u>(41,250,000)</u>
At 31st December	<u>24,062,500</u>	<u>65,312,500</u>

**23 Pension payable**

The balance on the pension payable account represents the amount due to the Pension Fund Administrators which is yet to be remitted at the period end. The movement on this account during the year was as follows:

	Year 2024	Year 2023
	N	N
Balance at 1st January	14,169,555	13,995,321
Charged for the year	2,552,921	3,573,417
Payments during the year	<u>(3,856,411)</u>	<u>(3,399,183)</u>
Balance at 31st December	<u>12,856,066</u>	<u>14,169,555</u>

Pension payable is included in other payables and accruals in Note 24.

**24 (i) Trade and other payables**

		Year 2024	Year 2023
	Note	N	N
Accounts Payable - Vendor		66,321,359	19,978,823
Other payables & accruals	24(ii)	177,489,371	38,550,466
Customers' deposits		<u>191,092,329</u>	<u>234,297,450</u>
		<u>424,903,059</u>	<u>293,826,739</u>

**24 (ii) Other payables & accruals**

	Year 2024	Year 2023
	N	N
Sundry Payables	5,918,007	2,728,441
Pension Plan Liabilities	12,856,066	14,169,555
Accrued Directors Fees	-	187,500
Accrued Salaries	5,352,093	3,505,111
Accrued Audit Fees	1,000,000	900,000
Unclaimed Dividend	16,683,803	16,731,169
Accrued Electricity Bill	633,411	228,687
Accrued Housing Allowance	250,002	500,002
Accrued Promotional & Advertisement Bill	15,000,000	-
Accrued Liabilities	89,795,989	-
Refund Liabilities	<u>30,000,000</u>	<u>600,000</u>
	<u>177,489,371</u>	<u>38,550,466</u>

**McNICHOLS CONSOLIDATED PLC**

**Notes to the Financial Statements - (Continued)  
For the year ended 31st December, 2024**

**25 Provisions**

Most of the provisions represent management's estimate of the Company's probable exposure to legal matters at the end of the year. The provisions have been stated under non-current liability because they are not expected to crystallize in the next one year.

	Year 2024 N	Year 2023 N
Balance at 1 January	85,000,000	87,000,000
Provisions made during the year	36,780,000	-
Provisions used during the year	-	(2,000,000)
<b>Balance at 31st December</b>	<b><u>123,780,000</u></b>	<b><u>85,000,000</u></b>

**26 Investments**

	Year 2024 N	Year 2023 N
Balance at 1 January	6,400,000	6,400,000
Amount disposed	(5,397,580)	-
Impairment loss	-	-
<b>Balance at 31st December</b>	<b><u>1,002,420</u></b>	<b><u>6,400,000</u></b>

The investment of N6.5 million (2m ordinary shares at N3.25 per share) in **Eunisell Interlinked Plc** was tested for impairment using FVTPL model and a cumulative impairment loss of N680,000 was recorded for year 2019 and year 2020 but no impairment loss as at 31 December, 2024. Market price of the shares as at 31 December 2024 being N19.27k/share while the price as at 31 December 2023 was N3.20k/share. Part of this investment was disposed during the year under review.

In line with IFRS 9 the investment is measured at fair value in statement of financial position with changes recognized in the statement of profit or loss.

**27 Risk management framework**

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

## McNICHOLS CONSOLIDATED PLC

### Notes to the Financial Statements - (Continued) For the year ended 31st December, 2024

#### 27 Risk management framework - Continued

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

#### 28 Contingencies

The Company is involved in a pending litigation in respect of a margin loan alleged to be obtained by the company in 2008 to trade in shares quoted on the Nigeria Exchange Limited. The amount being claimed by the investment managers is N73.6 million plus accrued interest. McNichols Consolidated Plc made a counter claim against the investment managers. The matter is currently on appeal and the directors of the company are of the opinion that the company will get favourable pronouncement from the courts. However the directors have chosen to exercise extra caution and therefore made a provision in the sum of N123.76 million (2023: N65 million) to absorb any shocks that may arise from this matter.

#### 29 Financial commitments

The directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the company's state of affairs have been taken into account in the preparation of these financial statements.

#### 30 Comparative figures

Certain comparative figures have been restated in line with the presentation in the current year.

#### 31 Subsequent events

In accordance with IAS 10, the Board appointed a new Director effective 1st January, 2025. The appointment will be approved by the Shareholders in the next AGM in July 2025.

**McNICHOLS CONSOLIDATED PLC**

**Other National Disclosures**

**Statement of Value Added  
For the year ended 31st December, 2024**

	Year 2024		Year 2023	
	N	%	N	%
Turnover	5,801,919,272		1,594,612,866	
<b>Less: Bought in materials and services:</b>				
Local	(5,580,696,070)		(1,491,227,691)	
Other income	4,508,604		3,534,510	
Finance Income	<u>49,938,396</u>		<u>17,919,293</u>	
	<u>275,670,203</u>	<u>100</u>	<u>124,838,978</u>	<u>100</u>
<b>Applied as follows:</b>				
<b>To employees:</b>				
Salaries, Wages and Other Benefits (including that of Directors)	60,025,836	22	46,365,270	37
To provide for maintenance of assets	57,895,428	21	30,534,522	24
To pay taxes	35,946,509	13.04	10,264,716	8.22
To pay interest on borrowings and deposits	6,727,859	2	10,151,868	8
Retained profit for the year	<u>115,074,571</u>	<u>42</u>	<u>27,522,602</u>	<u>22</u>
	<u>275,670,203</u>	<u>100</u>	<u>124,838,978</u>	<u>100</u>

This statement represents the distribution of the wealth created through the use of the Company's assets through its own and employees' efforts.

**McNICHOLS CONSOLIDATED PLC**

**Other National Disclosures**

**Five Year Financial Summary**

	Year 2024	Year 2023	Year 2022	Year 2021	Year 2020
	₦	₦	₦	₦	₦
<b>Funds Employed</b>					
Share Capital	558,396,565	558,396,565	359,370,000	163,350,000	163,350,000
Share Premium	5,576,000	5,576,000	13,723,990	16,913,313	16,913,313
Retained Earnings	96,079,757	27,676,912	7,341,710	178,892,057	173,468,888
Shareholder's Fund	660,052,322	591,649,477	380,435,700	359,155,370	353,732,001
Current Liabilities	484,912,069	345,341,455	106,912,556	118,849,790	98,985,975
Non-current Liabilities	167,480,018	131,662,217	166,369,019	216,507,995	259,241,389
	<u>1,314,444,409</u>	<u>1,068,653,150</u>	<u>653,717,275</u>	<u>692,513,154</u>	<u>711,959,366</u>
<b>Asset Employed</b>					
Non Current assets	391,716,119	326,651,372	286,823,102	329,749,624	356,361,935
Current assets	922,728,290	742,001,778	366,894,173	362,763,530	355,597,431
Total assets	<u>1,314,444,409</u>	<u>1,068,653,150</u>	<u>653,717,275</u>	<u>692,513,154</u>	<u>711,959,366</u>
<b>Turnover</b>					
Profit before tax	151,709,555	48,330,516	25,568,647	17,578,822	19,870,338
Taxation	(35,946,509)	(10,264,716)	(5,807,460)	(3,282,417)	(2,088,764)
Profit for the year	115,074,571	27,522,602	34,270,653	14,244,269	16,132,919
Total comprehensive income for the year	115,074,571	27,522,602	34,270,653	14,244,269	16,132,919
Basic/diluted earnings per share (kobo)	<b>10.30</b>	<b>2.46</b>	<b>4.77</b>	<b>4.36</b>	<b>4.95</b>
Dividend per share (kobo)	<b>2.00</b>	<b>2.00</b>	<b>1.00</b>	<b>3.00</b>	<b>3.00</b>
Net assets per share (Naira)	<b>0.59</b>	<b>0.53</b>	<b>0.53</b>	<b>1.10</b>	<b>1.08</b>