



**Nascon Allied Industries Plc**  
**(Registration number 11364)**  
**Unaudited Financial Statements**  
**for the period ended 30 June 2024**

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Contents

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	Page
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Unaudited Financial Statements	6 - 39

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Statement of Profit or Loss and Other Comprehensive Income

		Reviewed 3 Months ended 30 June 2024	Reviewed 3 Months ended 30 June 2023	Reviewed 6 Months ended 30 June 2024	Reviewed 6 Months ended 30 June 2023	Audited 12 Months ended 31 December 2023
	Notes	N '000	N '000	N '000	N '000	N '000
Revenue	4	26,813,566	21,264,249	50,431,682	38,165,448	80,828,373
Cost of sales	6	(15,948,969)	(9,254,355)	(28,407,924)	(19,203,625)	(36,507,781)
<b>Gross profit (loss)</b>		<b>10,864,597</b>	<b>12,009,894</b>	<b>22,023,758</b>	<b>18,961,823</b>	<b>44,320,592</b>
Other income	7	14,438	20,328	116,388	103,548	194,305
Other operating (loss)/gains	8	1,090,631	(69)	(1,965,479)	(69)	267,500
Movement in credit loss allowances	9	-	-	-	-	11,013
Distribution costs	10.1	(4,860,482)	(4,778,151)	(9,854,474)	(8,247,722)	(18,988,580)
Administrative expenses	10.2	(1,689,045)	(1,027,878)	(3,121,838)	(2,015,014)	(4,708,761)
<b>Operating profit (loss)</b>		<b>5,420,139</b>	<b>6,224,124</b>	<b>7,198,355</b>	<b>8,802,566</b>	<b>21,096,069</b>
Interest received	11	240,073	167,781	658,810	309,266	927,498
Interest paid	12	(268,316)	(227,835)	(626,254)	(486,506)	(1,435,308)
<b>Profit (loss) before taxation</b>		<b>5,391,896</b>	<b>6,164,070</b>	<b>7,230,911</b>	<b>8,625,326</b>	<b>20,588,259</b>
Taxation	13	(1,779,326)	(2,012,082)	(2,386,200)	(2,803,232)	(6,859,890)
<b>Profit (loss) from continuing operations</b>		<b>3,612,570</b>	<b>4,151,988</b>	<b>4,844,711</b>	<b>5,822,094</b>	<b>13,728,369</b>
<b>Profit (loss) for the period</b>		<b>3,612,570</b>	<b>4,151,988</b>	<b>4,844,711</b>	<b>5,822,094</b>	<b>13,728,369</b>
<b>Total comprehensive income (loss) for the period</b>		<b>3,612,570</b>	<b>4,151,988</b>	<b>4,844,711</b>	<b>5,822,094</b>	<b>13,728,369</b>
<b>Earnings per share</b>						
<b>Per share information</b>						
Basic and diluted earnings per share (Kobo)	15	535	627	359	439	518

The accounting policies on pages 6 to 18 and the notes on pages 19 to 39 form an integral part of the unaudited financial statements

# Nascon Allied Industries Plc


(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Statement of Financial Position

		Reviewed 6 Months ended 30 June 2024	Reviewed 6 Months ended 30 June 2023	Audited 12 Months ended 31 December 2023
	Notes	N '000	N '000	N '000
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	16	13,058,602	12,078,471	12,097,461
Right-of-use assets	17	4,003,783	3,822,529	4,124,988
		<b>17,062,385</b>	<b>15,901,000</b>	<b>16,222,449</b>
<b>Current Assets</b>				
Inventories	18	11,403,521	7,649,238	11,172,733
Trade and other receivables	19	41,161,033	25,193,903	27,709,452
Other financial assets	20	725,307	695,826	725,307
Other assets	21	2,197,374	2,653,357	2,149,156
Cash and cash equivalents	22	12,234,454	16,388,473	25,612,894
		<b>67,721,689</b>	<b>52,580,797</b>	<b>67,369,542</b>
<b>Total Assets</b>		<b>84,784,074</b>	<b>68,481,797</b>	<b>83,591,991</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
Share capital	23	1,351,213	1,324,719	1,324,719
Share premium	24	434,037	434,037	434,037
Retained earnings	25	30,531,318	20,456,266	25,713,102
		<b>32,316,568</b>	<b>22,215,022</b>	<b>27,471,858</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Borrowings	27	38,570	38,570	38,570
Lease liabilities	28	3,750,519	3,630,565	3,893,818
Retirement benefit obligation	29	122,258	125,475	122,805
Deferred tax	14	2,405,190	2,125,796	2,405,190
		<b>6,316,537</b>	<b>5,920,406</b>	<b>6,460,383</b>
<b>Current Liabilities</b>				
Trade and other payables	30	34,496,112	28,245,161	30,931,522
Borrowings	27	4,204,447	4,627,119	5,494,099
Lease liabilities	28	314,636	248,022	297,214
Contract liabilities	31	2,198,327	3,006,802	6,341,007
Current tax payable	13	4,937,447	4,219,265	6,595,908
		<b>46,150,969</b>	<b>40,346,369</b>	<b>49,659,750</b>
<b>Total Liabilities</b>		<b>52,467,506</b>	<b>46,266,775</b>	<b>56,120,133</b>
<b>Total Equity and Liabilities</b>		<b>84,784,074</b>	<b>68,481,797</b>	<b>83,591,991</b>

The Unaudited Financial Statements and the notes on pages 19 to 39, were approved by the Board on the 29 July 2024 and were signed on its behalf by:

  
**Thabo Mabe**  
**Managing Director**  
**FRC/2013/IODN/00000001741**

  
**Aderemi Saka**  
**Chief Financial Officer**  
**FRC\* "Waiver granted by FRCN"**

The accounting policies on pages 6 to 18 and the notes on pages 19 to 39 form an integral part of the unaudited financial statements.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Statement of Changes in Equity

	Share capital	Share premium	Retained income	Total equity
	N '000	N '000	N '000	N '000
<b>Balance at 1 January 2023</b>	<b>1,324,719</b>	<b>434,037</b>	<b>17,283,610</b>	<b>19,042,366</b>
Profit for the period	-	-	5,822,094	5,822,094
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>5,822,094</b>	<b>5,822,094</b>
Dividends	-	-	(2,649,438)	(2,649,438)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>(2,649,438)</b>	<b>(2,649,438)</b>
<b>Balance at 30 June 2023</b>	<b>1,324,719</b>	<b>434,037</b>	<b>20,456,266</b>	<b>22,215,022</b>
<b>Balance at 1 January 2024</b>	<b>1,324,719</b>	<b>434,037</b>	<b>25,713,102</b>	<b>27,471,858</b>
Profit for the period	-	-	4,844,711	4,844,711
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>4,844,711</b>	<b>4,844,711</b>
Bonus shares issued	-	-	(26,495)	(26,495)
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>(26,495)</b>	<b>(26,495)</b>
<b>Balance at 30 June 2024</b>	<b>1,351,213</b>	<b>434,037</b>	<b>30,531,318</b>	<b>32,316,568</b>

The accounting policies on pages 6 to 18 and the notes on pages 19 to 39 form an integral part of the unaudited financial statements.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Statement of Cash Flows

		Reviewed 6 Months ended 30 June 2024	Reviewed 6 Months ended 30 June 2023	Audited 12 Months ended 31 December 2023
	Notes	N '000	N '000	N '000
<b>Cash flows from operating activities</b>				
Cash generated from operations	32	(5,991,841)	8,881,863	23,163,517
Tax paid	13	(4,044,661)	(1,702,713)	(3,103,334)
Retirement benefit paid	29	(547)	(7,696)	(10,366)
<b>Net cash from operating activities</b>		<b>(10,037,049)</b>	<b>7,171,454</b>	<b>20,049,817</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	16	(1,984,227)	(673,001)	(1,878,247)
Proceed from sale of property, plant and equipment	16	85,000	-	57,239
Interest received	11	658,810	309,266	927,498
<b>Net cash from investing activities</b>		<b>(1,240,417)</b>	<b>(363,735)</b>	<b>(893,510)</b>
<b>Cash flows from financing activities</b>				
Borrowings	27	-	-	701,218
Repayment of borrowings	27	(1,289,652)	(165,762)	-
Dividends paid	26	-	(2,649,438)	(5,298,877)
Interest paid	12	(442,622)	(327,746)	(1,045,374)
Payment on lease liabilities	28	(309,508)	(282,510)	(678,217)
<b>Net cash used in financing activities</b>		<b>(2,041,782)</b>	<b>(3,425,456)</b>	<b>(6,321,250)</b>
<b>Total cash and cash equivalents movement for the period</b>		<b>(13,319,248)</b>	<b>3,382,263</b>	<b>12,835,057</b>
Cash and cash equivalents at the beginning of the period		25,612,894	13,006,210	13,006,210
Effect of exchange rate movement on cash balances		(59,192)	-	(228,373)
<b>Total cash and cash equivalents at end of the period</b>	22	<b>12,234,454</b>	<b>16,388,473</b>	<b>25,612,894</b>

The accounting policies on pages 6 to 18 and the notes on pages 19 to 39 form an integral part of the unaudited financial statements.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Accounting Policies

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### 1 Corporate information

Nascon Allied Industries Plc (Formerly known as National Salt Company of Nigeria) was incorporated in Nigeria as a limited liability Company on 30 April 1973. It was fully privatised in April, 1992 and became listed on the Nigerian Stock Exchange on 20 October, 1992. At a general meeting held on 29 September 2006, the shareholders approved the acquisition of the assets, liabilities and business undertakings of Dangote Salt Limited and the issue and allotment of additional NASCON PLC shares as the purchase consideration. The major shareholder of the Company is Dangote Industries Limited that owns 62.19% of the issued share capital, while the remaining 37.81% is held by the general public.

The ultimate controlling party is Dangote Industries Limited, a Company incorporated in Nigeria.

The registered address of the Company is located at Salt City, Ijoko Ota, Ogun State.

#### 1.1 The principal activity

The principal activities of the Company include, the processing of raw salt into refined, edible and grade salt. The Company also produces seasoning cubes. The Company's products are sold through distributors across the country.

#### 1.2 Financial period

The financial statements cover the financial year from 1 January 2024 to 30 June 2024 with comparatives for the period ended 30 June 2023.

#### 1.3 Going concern status

The Company has consistently turned in Profits since 2007. The Directors believe that there is no intention or threat from any party to curtail significantly its line of business in the foreseeable future. Thus, these Unaudited Financial Statements are prepared on a going concern basis.

### 2. Material accounting policies

The significant accounting policies applied in the preparation of these Unaudited Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Statement of Compliance

The Unaudited Financial Statements have been prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations Committee (IFRIC), interpretations issued by the International Accounting Standards Board (IASB), Companies and Allied Matters Act (CAMA) and Financial Reporting Council of Nigeria (Amendment) Act, 2023 and effective at the time of preparing these financial statements.

#### 2.2. Basis of measurement

The Unaudited Financial Statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Accounting Policies

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### 2.2 Basis of measurement (continued)

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

### 2.3 Functional and presentation currency

These Unaudited Financial Statements are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand (N'000), unless otherwise stated.

#### 2.3.1 Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Naira, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous unaudited financial statements are recognised in profit or loss as other operating gains/(losses) in the period in which they arise.

When a gain or loss on a non-monetary item is recognised in other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised in other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any foreign exchange component of that gain or loss is recognised in profit or loss as other operating gains/(losses).

Cash flows arising from transactions in a foreign currency are recorded in Naira by applying to the foreign currency amount the exchange rate between the Naira and the foreign currency at the date of the cash flow.

### 2.4 Revenue from contracts with customers

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

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

The probability that a customer would make payment is ascertained based on the evaluation done on the customer as stated in the credit management policy at the inception of the contract. The Company is the principal in all of its revenue arrangement since it is the primary obligor in most of the revenue arrangements, has inventory risk and determines the pricing for the goods and services. The customer payment are categorised into cash and 30 days credit sales.

Revenue is recognised when the control of the goods and service are transferred to the customer. This occurs when the goods are delivered to the customer and customer's acceptance is received or when goods are picked up by the customers. Revenue is driven by the regional spread of the Company's customer network.

Nascon Allied Industries Plc transfers control to the customers after the goods have been delivered to the customer, however, the customer obtains the right to return goods that are bad or damaged after they have been delivered.



# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Accounting Policies

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### 2.4 Revenue from contracts with customers (continued)

Sales occur when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and when the customer has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Revenue from sale of goods is recognised based on the price specified in the contract, net of the estimated rebates and returns. Rebates are estimated at the inception of the contract except where the time lag between the recognition of revenue and granting rebates is within one month.

Returns on goods are estimated at the inception of the contract except where the timing between when the revenue is recognised and when the returns occur is considered immaterial. In these instances, the returns are accounted for when they occur. Contract liability is recognised for consideration received for which performance obligation has not been met.

Specifically, revenue from the sale of goods is recognised when goods are delivered (or collected, if sold under self collection terms) and legal title is passed.

### 2.5 Interest income

This represents interest income earned on short term placements with banks and other financial assets at amortised cost - treasury bills. Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to its gross carrying amount.

### 2.6 Employee benefits

#### Short-term employee benefits

Short term employee benefits: any wages, salaries, incentives, other contributions and paid annual leave are accrued in the period in which the associated services are rendered by employees of the Company.

#### Termination benefits.

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or as a result of an offer made to encourage voluntary redundancy. The expected cost of compensation is recognized as an expense in the profit or loss account when it occurs.

#### Retirement benefit obligations

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit gratuity scheme is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior years and that benefit is discounted to determine the present value.

#### Defined contribution plan

The employees of the Company are members of a Defined Contribution Pension plan administered by third-party Pension Fund Administrators under the Pension Reform Act of 2014. The assets of the plan are held separately from those of the Company. The scheme is funded in accordance with the Pension Reform Act of 2014 with the employee and employer contributions representing 8% and 10% respectively of the employee's relevant emoluments.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Accounting Policies

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### 2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax is the expected amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA) using statutory tax rates at the reporting date. Tertiary Education tax is assessed at 3% of the assessable profits as defined by the Tertiary Education Tax Act.

#### Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred tax are recognised in the Statement of Profit or Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are recognised in other comprehensive income or directly in equity respectively.

### 2.8 Property, plant and equipment

#### 2.8.1 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. Assets under construction are disclosed as capital work-in-progress. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

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

Gains 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 recognized in the statement of profit or loss and other comprehensive income.

#### 2.8.2 Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Accounting Policies

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### 2.8 Property, plant and equipment (continued)

#### 2.8.3 Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its estimated 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. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term in which case the assets are depreciated over the useful life.

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

Freehold land	Nil
Buildings	50 years
Tools and equipment	4 years
Plant and equipment	15 years
Furniture and fittings	5 years
Motor vehicles	4 years
Computer equipment	3 years

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

Capital work-in-progress and freehold land are not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees capitalised and determined to be directly required to bring the asset to the location and condition for intended use and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

#### 2.8.4 Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 2.9 Leases

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

- the contract involves the use of an identified asset. This may be specified explicitly or implicitly. If the supplier has a substantive substitution right, then the asset is not identified; and
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Accounting Policies

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### 2.9 Leases (continued)

– the Company designed the asset in a way that predetermines how and for what purpose it will be used.

The Company's leases include land, buildings (residential apartments) and warehouses. The lease terms are typically for fixed periods ranging from 2- 20 years but may have extension options as described below. On renewal of a lease, the terms may be renegotiated.

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

#### Lease liabilities

At the commencement date of a lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate,
- amounts expected to be payable by the Company under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option,
- payments of penalties for terminating the lease, if the lease term reflects the Company's exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the Company's incremental borrowing rate (IBR) as the rate implicit in the lease cannot be readily determined. The IBR represents the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company has adopted its approved rate of securing funds of 9%.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset where applicable.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Accounting Policies

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### 2.9 Leases (continued)

#### Right-of-use assets

Right-of-use assets are initially measured at cost, comprising of the following:

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

#### Short-term lease and leases of low-value assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than N2,305,500 when new, and depends on the nature of the asset, e.g., small equipment. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in the Statement of Profit or Loss on a straight-line basis over the lease term.

#### Extension and termination options

Extension and termination options are included in the Company's lease arrangements. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Most of the extension options are subject to mutual agreement by the lessee and lessor and the termination options held are exercisable only by the lessee and the lessor.

### 2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, packaging materials, work in progress, oil and lubricants, engineering spares and consumable stock is determined on a weighted average basis. Cost of finished goods is determined on the basis of actual costs.

Goods in transit are valued at the invoice price. Cost of inventories comprises of all costs of purchase, conversion cost (materials, labour and overhead) and other costs incurred to bring inventories to their present location and condition. Finished goods, which include materials, direct labour and factory overheads, are valued at actual cost basis using first in, first out.

Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on an average cost basis.

### 2.11 Provisions and contingencies

Provisions are recognised when:

- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation (when the time value of money is material).

The amount recognised as provision is the present value of the expenditure expected to be required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Where some or all of the expenditure required to settle a provision is expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

If the Company has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Accounting Policies

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### 2.11 Provisions and contingencies (continued)

#### 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 event 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.

### 2.12 Financial instruments

Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Company, as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows).

**Financial liabilities:**

- Amortised cost; or
- Mandatorily at fair value through statement of profit or loss (This applies to liabilities which are held for trading).

Note 33 Financial instruments and risk management presents the financial instruments held by the Company based on their specific classifications.

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.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Company are presented below:

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Company or the counterparty.

#### Trade and other receivables

##### Classification

Trade and other receivables, excluding, when applicable, VAT, WHT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 19).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Accounting Policies

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### 2.12 Financial instruments (continued)

#### Recognition and measurement

Trade and other receivables are recognised when the Company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

#### Measurement and recognition of expected credit losses

Nascon Allied Industries Plc applies the simplified approach or the three-stage general approach to determine impairment of receivables depending on their respective nature. The simplified approach is applied for trade receivables while the general approach is applied to other receivables and cash and bank balances. The Company applies a simplified approach in calculating ECLs on its trade receivables by recognizing a loss allowance that is based on the lifetime ECLs at each reporting date using the provision matrix. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable and assessing the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the Gross Domestic Product (GDP) in Nigeria, Brent oil price, and inflation rate, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss and presented on the face of the statement of profit or loss.

#### Write off policy

The Company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables 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 recognised in the Statement of Profit or Loss.

#### Credit risk

Details of credit risk are included in the trade and other receivables note (note 19) and the financial instruments and risk management note (note 33).

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Accounting Policies

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### 2.12 Financial instruments (continued)

#### Derecognition

Refer to note 2.12.1 section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in the Statement Profit or Loss in the derecognition gains/(losses) on financial assets at amortised cost line item.

#### Borrowings

##### Classification

Borrowings consist of Usance credit facility from bank. they are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

Borrowings are recognised when the Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

Interest expense, calculated on the effective interest method, is included in profit or loss in interest paid (note 12).

Borrowings expose the Company to liquidity risk and interest rate risk. Refer to note 33 for details of risk exposure and management thereof.

#### Derecognition

Refer to note 2.12.1 section of the accounting policy for the policies and processes related to derecognition.

#### Trade and other payables

##### Classification

Trade and other payables (note 30), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

##### Recognition and measurement

They are recognised when the Company becomes a party to the contractual provisions, and are measured, on initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured 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.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in interest paid (Note 12).

Trade and other payables expose the Company to liquidity risk and possibly to interest rate risk. Refer to note 33 for details of risk exposure and management thereof.

#### Derecognition

Refer to note 2.12.1 section of the accounting policy for the policies and processes related to derecognition.



# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Accounting Policies

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### 2.12 Financial instruments (continued)

#### Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand and bank balances. Cash and cash equivalents are stated at carrying amounts which are deemed to be at fair value. They are subsequently measured at amortized cost.

Cash and cash equivalents are repayable on demand; hence no impairment was determined for cash and cash equivalents. Due to the liquid nature of cash and cash equivalents, management believes that the ECL on them will be immaterial for recognition.

#### 2.12.1 Derecognition

##### 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 party. 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.

##### Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### Reclassification

##### Financial assets

The Company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

##### Financial liabilities

Financial liabilities are not reclassified.

### 2.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

### 2.14 Government grants

Government grants are recognised when there is reasonable assurance that:

- the Company will comply with the conditions attached to them; and
- the grants will be received.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Accounting Policies

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### 2.14 Government grants (continued)

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income in the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the Statement of Financial Position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

### 2.15 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the Company in which they are declared.

### 2.16 Earnings per share

The Company presents Basic Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for effects of all dilutive potential ordinary shares.

## 3 Critical accounting judgement and key sources of estimation uncertainty

In the application of the Company's significant accounting policies, described in Note 2, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### 3.1.1 Impairment testing

The recoverable amounts would be determined based on the higher of value-in-use calculations and fair value less costs to sell. These calculations require the use of estimates, assumptions and inputs such as market information, monetary indices and condition of the assets. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value.

#### 3.1.2 Useful lives of property, plant and equipment

The Company reviewed and revised the estimated useful lives of its property, plant and equipment on transition to IFRS on 1 January, 2011, and under IFRS, has reviewed them annually at each reporting date. Useful lives are estimated based on the engineer's report, as at each reporting date. Some of the factors considered include the current service potential of the assets, potential cost of repairs and maintenance.

There is a degree of subjective judgment in such estimation which has a resultant impact on profit and total comprehensive income for the year.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Accounting Policies

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### 3 Critical accounting judgement and key sources of estimation uncertainty (continued)

#### 3.1.3 Allowances for credit losses

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### 3.1.4 Measurement of lease liabilities

The application of IFRS 16 requires the directors to make judgements that affect the measurement of lease liabilities. These include identifying the contract tenure, determining the terms of the fixed and variable lease payments, accounting for contract modifications and determining the discount rate to be applied to historical leases.

The Company has applied judgement to determine the lease tenure for those lease contracts that include a renewal or termination option. The assessment of whether the Company is reasonably certain to exercise a renewal option or reasonably certain not to exercise a termination option significantly impacts the value of lease liabilities recognized on the balance sheet. Where an extension option exists, the Company recognizes this as part of the lease liability as invariably this is exercised. The Company also revised some lease liabilities when the lease term was modified. This required exercise of judgement in accounting for changes in contract terms. Estimates are also required to determine the appropriate discount rate used to measure lease liabilities.

#### 3.1.5 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, Management assessed the probability of expected future taxable profits based on expected revenues for the next five years. Details of the Company's recognised and unrecognised deferred tax assets and liabilities are as disclosed in Note 14.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 30 June 2024	Reviewed 3 Months ended 30 June 2023	Reviewed 6 Months ended 30 June 2024	Reviewed 6 Months ended 30 June 2023	Audited 12 Months ended 31 December 2023
	N '000	N '000	N '000	N '000	N '000

### 4. Revenue

#### Revenue from contracts with customers

Sale of goods	26,813,566	21,264,249	50,431,682	38,165,448	80,828,373
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Revenue is recognised at a point in time

### 5. Segmental information

The Company has identified period reportable segments which represent the structure used by the Management to make key operating decisions and assess performance.

The Company's reportable segments are treated as operating segments which are differentiated by the activities that each undertake, the products they manufacture and the markets they operate in.

#### Segmental revenue and results

The Management assesses the performance of the operating segments based on the measure of gross profit. This measure excludes the effects of non-recurring expenditure from the operating segments. The measure also excludes the effects of unrealised gains/(losses) on financial instruments. Interest income and expenditure are not allocated to operating segments, as this type of activity is driven by the central treasury function. This measure is consistent with all prior periods which are presented.

#### Geographical information

East	2,145,085	1,341,616	3,519,809	2,407,956	4,704,923
West	5,362,713	4,642,391	10,206,925	8,332,245	16,578,364
North	19,305,768	15,280,242	36,704,948	27,425,247	59,545,086
	<b>26,813,566</b>	<b>21,264,249</b>	<b>50,431,682</b>	<b>38,165,448</b>	<b>80,828,373</b>

### 6. Cost of sales

Raw materials consumed	13,823,640	8,052,818	24,727,385	16,936,277	31,372,245
Employee costs	477,597	371,404	826,156	693,330	1,444,488
Depreciation of property, plant and equipment	151,727	156,845	307,007	312,971	627,511
Depreciation of right of use assets	58,988	34,973	119,712	70,866	249,753
Manufacturing expenses	1,437,017	638,315	2,427,664	1,190,181	2,813,784
	<b>15,948,969</b>	<b>9,254,355</b>	<b>28,407,924</b>	<b>19,203,625</b>	<b>36,507,781</b>

### 7. Other income

Sale of scrap	5,950	20,328	91,149	103,548	176,855
Insurance claim	4,738	-	12,224	-	17,116
Other rental income	3,750	-	13,015	-	-
Other income	-	-	-	-	334
	<b>14,438</b>	<b>20,328</b>	<b>116,388</b>	<b>103,548</b>	<b>194,305</b>

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 30 June 2024	Reviewed 3 Months ended 30 June 2023	Reviewed 6 Months ended 30 June 2024	Reviewed 6 Months ended 30 June 2023	Audited 12 Months ended 31 December 2023
	N '000	N '000	N '000	N '000	N '000

### 8. Other operating gains (losses)

#### Gains (losses) on disposals, scrappings and settlements

Property, plant and equipment	-	-	5,207	-	39,127
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#### Foreign exchange gains (losses)

Net foreign exchange gains	1,090,631	(69)	(1,970,686)	(69)	228,373
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#### Total other operating gains (losses)

	1,090,631	(69)	(1,965,479)	(69)	267,500
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### 9. Movement in credit loss allowances

#### Trade receivables

Impairment writeback/(charge) on trade receivables (Note 19)	-	-	-	-	8,958
Impairment (charge)/writeback on intercompany receivables (Note 19)	-	-	-	-	241
Impairment (charge)/writeback on staff loans (Note 19)	-	-	-	-	1,814
	-	-	-	-	11,013

### 10. Operating expenses

#### 10.1 Distribution cost

Market activation	91,682	106,962	144,569	230,143	430,476
Branding expenses	125,729	127,763	17,239	277,720	415,426
Delivery expenses	4,477,853	4,263,062	9,319,110	7,179,130	16,971,203
Depreciation of trucks	165,218	280,364	373,556	560,729	1,171,475
	4,860,482	4,778,151	9,854,474	8,247,722	18,988,580

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 30 June 2024	Reviewed 3 Months ended 30 June 2023	Reviewed 6 Months ended 30 June 2024	Reviewed 6 Months ended 30 June 2023	Audited 12 Months ended 31 December 2023
	N '000	N '000	N '000	N '000	N '000

### 10. Operating expenses (continued)

#### 10.2 Administrative expenses

Management fees	87,096	42,266	156,407	91,523	196,041
Auditors remuneration	10,600	7,187	22,655	14,375	35,250
Bank charges	27,668	25,310	44,631	42,844	66,519
Cleaning	11,114	23,239	28,790	45,389	85,771
Consulting and professional fees	41,332	16,578	79,526	64,416	109,173
Depreciation of property, plant and equipment	133,534	93,243	262,678	189,680	432,538
Depreciation of right of use assets	747	654	1,493	1,309	2,740
Directors remuneration	125,890	49,834	196,453	94,899	188,555
Employee costs	612,704	530,288	1,307,334	977,498	2,320,457
Entertainment	28,530	16,007	42,318	33,477	52,651
Business development	29,909	5,794	32,657	13,366	66,949
Insurance	54,312	23,117	108,784	40,439	63,436
Petrol and oil	18,665	8,123	38,816	16,936	45,611
Printing and stationery	10,452	9,368	23,797	18,604	35,609
Repairs and maintenance	37,506	21,022	54,070	31,160	98,352
Secretarial fees	113,187	15,127	168,153	37,516	57,591
Security	41,901	23,708	63,345	44,572	107,644
Staff welfare	70,522	27,536	89,480	57,855	99,362
Telephone and fax	93,554	38,414	176,987	84,123	335,417
Travel - local	139,822	51,063	223,464	115,033	309,095
	<b>1,689,045</b>	<b>1,027,878</b>	<b>3,121,838</b>	<b>2,015,014</b>	<b>4,708,761</b>

### 11. Interest received

Interest income on bank balances	70	-	81	1	4
Interest income on short term fixed deposit	240,003	167,781	658,729	309,265	927,494
<b>Total Interest received</b>	<b>240,073</b>	<b>167,781</b>	<b>658,810</b>	<b>309,266</b>	<b>927,498</b>

### 12. Interest paid

Interest on borrowings	177,868	147,345	442,622	327,746	1,045,374
Interest on lease liabilities	90,448	80,490	183,632	158,760	389,934
<b>Total interest paid</b>	<b>268,316</b>	<b>227,835</b>	<b>626,254</b>	<b>486,506</b>	<b>1,435,308</b>

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 30 June 2024	Reviewed 3 Months ended 30 June 2023	Reviewed 6 Months ended 30 June 2024	Reviewed 6 Months ended 30 June 2023	Audited 12 Months ended 31 December 2023
	N '000	N '000	N '000	N '000	N '000

### 13. Taxation

#### Major components of the tax expense

##### Current

Local income tax	1,617,569	1,849,220	2,169,273	2,587,597	5,914,547
Education tax	161,757	162,862	216,927	215,635	664,920
Police Trust Fund Levy	-	-	-	-	1,029
	<b>1,779,326</b>	<b>2,012,082</b>	<b>2,386,200</b>	<b>2,803,232</b>	<b>6,580,496</b>

##### Deferred

In respect of current year	-	-	-	-	279,394
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#### Split between current and deferred tax

Current tax	1,779,326	2,012,082	2,386,200	2,803,232	6,580,496
Deferred tax	-	-	-	-	279,394
	<b>1,779,326</b>	<b>2,012,082</b>	<b>2,386,200</b>	<b>2,803,232</b>	<b>6,859,890</b>

The charge for taxation in these unaudited financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2004 and the Education Tax Act CAP E4, LFN 2004. Company tax and Tertiary Education Tax are calculated at 30% and 3% respectively of the estimated taxable profit for the year while Police Trust Fund levy is charged at 0.005% of profit before tax. The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

#### Current tax liabilities in the statement of financial position

##### Current tax payable

1 January	6,595,908	3,118,746	3,118,746
Charge for the year	2,386,200	2,803,232	6,580,496
Payment during the year	(4,044,661)	(1,702,713)	(3,103,334)

##### At end of period

<b>4,937,447</b>	<b>4,219,265</b>	<b>6,595,908</b>
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# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 30 June 2024	Reviewed 3 Months ended 30 June 2023	Reviewed 6 Months ended 30 June 2024	Reviewed 6 Months ended 30 June 2023	Audited 12 Months ended 31 December 2023
	N '000	N '000	N '000	N '000	N '000

### 14. Deferred tax

#### Deferred tax liability

Property plant and equipment	(2,405,190)	(2,125,796)	(2,452,257)
Allowance for doubtful debt	-	-	99,211
Unrealised exchange difference	-	-	(75,363)
IFRS 16 Leases	-	-	23,219
<b>Total deferred tax liability</b>	<b>(2,405,190)</b>	<b>(2,125,796)</b>	<b>(2,405,190)</b>

#### Deferred tax asset

#### Split between assets and liabilities

Current liabilities	(2,527,620)	(2,356,442)	(2,527,620)
Current assets	122,430	230,646	122,430
	<b>(2,405,190)</b>	<b>(2,125,796)</b>	<b>(2,405,190)</b>

### 15. Earnings per share

<b>Basic earnings per share</b>	535	627	359	439	518
<b>From continuing operations (kobo per share)</b>					

#### Basic earnings per share

#### Reconciliation of earnings

Profit or loss for the year attributable to equity holders	3,612,570	4,151,988	4,844,711	5,822,094	13,728,369
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Weighted average number of ordinary shares as at 30 June 2024 ('000)	2,702,427	2,649,438	2,702,427	2,649,438	2,649,438
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The Company has no potentially dilutive shares. Accordingly, The basic EPS and diluted EPS have the same values.



# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

### 16. Property, plant and equipment

#### Reconciliation of property, plant and equipment

	Freehold Land	Buildings	Tools and equipment	Plant and machinery	Furniture and fittings	Motor vehicles	Computer equipment	Capital - Work in progress	Total
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
<b>Cost</b>									
At January 1, 2023	70,000	3,815,526	654,437	8,819,541	381,228	8,404,383	223,380	113,914	22,482,409
Additions	-	234,624	215,866	60,800	100,865	1,090,050	51,972	124,070	1,878,247
Disposals and scrappings	-	-	-	(15,781)	-	(1,408,189)	-	-	(1,423,970)
Reclassifications	-	113,914	-	-	-	-	-	(113,914)	-
<b>At 31 December 2023</b>	<b>70,000</b>	<b>4,164,064</b>	<b>870,303</b>	<b>8,864,560</b>	<b>482,093</b>	<b>8,086,244</b>	<b>275,352</b>	<b>124,070</b>	<b>22,936,686</b>
Additions	-	30,960	30,675	-	55,346	1,665,820	8,851	192,575	1,984,227
Disposals and scrappings	-	-	(14,070)	(184,137)	-	(4,830)	-	-	(203,037)
Reclassifications	-	-	83,474	-	-	-	-	(83,474)	-
<b>At 30 June 2024</b>	<b>70,000</b>	<b>4,195,024</b>	<b>970,382</b>	<b>8,680,423</b>	<b>537,439</b>	<b>9,747,234</b>	<b>284,203</b>	<b>233,171</b>	<b>24,717,876</b>
<b>Depreciation and impairment</b>									
At January 1, 2023	-	(298,979)	(455,948)	(2,805,849)	(195,564)	(6,106,305)	(150,913)	-	(10,013,558)
Disposals	-	-	-	6,312	-	1,399,545	-	-	1,405,857
Depreciation	-	(78,792)	(98,408)	(548,719)	(66,821)	(1,377,078)	(61,706)	-	(2,231,524)
<b>At 31 December 2023</b>	<b>-</b>	<b>(377,771)</b>	<b>(554,356)</b>	<b>(3,348,256)</b>	<b>(262,385)</b>	<b>(6,083,838)</b>	<b>(212,619)</b>	<b>-</b>	<b>(10,839,225)</b>
Disposals	-	-	14,070	104,344	-	4,830	-	-	123,244
Depreciation	-	(41,862)	(73,469)	(265,197)	(41,323)	(494,414)	(27,028)	-	(943,293)
<b>At 30 June 2024</b>	<b>-</b>	<b>(419,633)</b>	<b>(613,755)</b>	<b>(3,509,109)</b>	<b>(303,708)</b>	<b>(6,573,422)</b>	<b>(239,647)</b>	<b>-</b>	<b>(11,659,274)</b>
<b>Carrying amount</b>									
Cost	70,000	4,164,064	870,303	8,864,560	482,093	8,086,244	275,352	124,070	22,936,686
Accumulated depreciation and impairment	-	(377,771)	(554,356)	(3,348,256)	(262,385)	(6,083,838)	(212,619)	-	(10,839,225)
<b>At 31 December 2023</b>	<b>70,000</b>	<b>3,786,293</b>	<b>315,947</b>	<b>5,516,304</b>	<b>219,708</b>	<b>2,002,406</b>	<b>62,733</b>	<b>124,070</b>	<b>12,097,461</b>
Cost	70,000	4,195,024	970,382	8,680,423	537,439	9,747,234	284,203	233,171	24,717,876
Accumulated depreciation and impairment	-	(419,633)	(613,755)	(3,509,109)	(303,708)	(6,573,422)	(239,647)	-	(11,659,274)
<b>At 30 June 2024</b>	<b>70,000</b>	<b>3,775,391</b>	<b>356,627</b>	<b>5,171,314</b>	<b>233,731</b>	<b>3,173,812</b>	<b>44,556</b>	<b>233,171</b>	<b>13,058,602</b>

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

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### 16. Property, plant and equipment (continued)

#### 16.1 Capital Work-in-progress

Work-in-progress comprises amounts expended on renovation of canteen at Salt Village plant and truck trailer bodies.

#### 16.2 Adjustments to capital work-in-progress

No adjustment charged to statement profit or loss in the current period.

#### 16.3 Asset pledged as security

None of the Company's assets were pledged as security for any liabilities as at 30 June, 2024 (2023:Nil).

#### 16.4 Sale of Property, plant and equipment

Included in the gain on disposal of property, plant and equipment is N5.2 million gain arising on the sale of the Tomato Paste plant located in Ota, Ogun State, during the year. The plant had a carrying value of N79.8 million, and was disposed for N85 million, the proceeds of which were received during the year.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

### 17. Right of Use Assets

#### Right of Use Asset - Company

	Land N '000	Buildings N '000	Total N '000
<b>Cost</b>			
At 1 January 2023	3,243,011	1,337,908	4,580,919
Addition/adjustment	(170,072)	652,849	482,777
<b>At 31 December 2023</b>	<b>3,072,939</b>	<b>1,990,757</b>	<b>5,063,696</b>
1 January 2024	3,072,939	1,990,757	5,063,696
Additions	-	-	-
<b>At 30 June 2024</b>	<b>3,072,939</b>	<b>1,990,757</b>	<b>5,063,696</b>
<b>Depreciation</b>			
At 1 January 2023	-	(938,708)	(938,708)
<b>At 31 December 2023</b>	<b>-</b>	<b>(938,708)</b>	<b>(938,708)</b>
At 1 January 2024	-	(938,708)	(938,708)
Depreciation	-	(121,205)	(121,205)
<b>At 30 June 2024</b>	<b>-</b>	<b>(1,059,913)</b>	<b>(1,059,913)</b>
<b>Carrying amount</b>			
Cost	3,072,939	1,990,757	5,063,696
Accumulated depreciation	-	(938,708)	(938,708)
<b>At 31 December 2023</b>	<b>3,072,939</b>	<b>1,052,049</b>	<b>4,124,988</b>
Cost	3,072,939	1,990,757	5,063,696
Accumulated depreciation	-	(1,059,913)	(1,059,913)
<b>At 30 June 2024</b>	<b>3,072,939</b>	<b>930,844</b>	<b>4,003,783</b>

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

	Reviewed 6 Months ended 30 June 2024 N '000	Reviewed 6 Months ended 30 June 2023 N '000	Audited 12 Months ended 31 December 2023 N '000
<b>18. Inventories</b>			
Raw materials	6,087,271	4,038,527	8,394,709
Work in progress	1,245	1,401	1,249
Finished goods	2,174,855	1,179,952	164,190
Spare parts and consumables	1,949,788	1,264,119	1,134,734
Oil and lubricants	154,010	476,912	325,423
Packaging materials	1,036,352	688,327	1,152,428
	<b>11,403,521</b>	<b>7,649,238</b>	<b>11,172,733</b>

During the year, there were no inventory written down/reversal to net realisable value.

The cost of inventories recognised as an expense during the year in respect of continuing operations was N24.73 billion (2023: N16.94 billion)

### 18.1 Inventory pledged as security

No inventory was pledged as security for any liability (2023: Nil).

## 19. Trade and other receivables

Financial instruments:

Trade receivables	2,034,481	1,375,434	974,105
Trade receivables - related parties (Note 34)	34,347,943	22,865,111	23,978,380
Loss allowance	(134,507)	(143,706)	(134,507)
	<b>36,247,917</b>	<b>24,096,839</b>	<b>24,817,978</b>
Interest receivables	776,451	362,931	713,438
VAT	2,201,599	94,335	1,064,988
Employee loans and advances	555,012	256,382	32,894
Loss allowance on employee loans and advances	(872)	(2,686)	(872)
Advances to suppliers	1,380,926	386,102	1,081,026
	<b>41,161,033</b>	<b>25,193,903</b>	<b>27,709,452</b>

### Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments.

At amortised cost	37,024,368	24,459,770	26,644,464
Non- financial instruments	4,136,665	734,133	1,064,988
	<b>41,161,033</b>	<b>25,193,903</b>	<b>27,709,452</b>

### Exposure to credit risk

Trade receivables inherently expose the Company to credit risk, being the risk that the Company will incur financial loss if customers fail to make payments as they fall due.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

	Reviewed 6 Months ended 30 June 2024	Reviewed 6 Months ended 30 June 2023	Audited 12 Months ended 31 December 2023
	N '000	N '000	N '000

### 19. Trade and other receivables (continued)

#### Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

Opening balance in accordance with IFRS 9	(135,379)	(146,392)	(146,392)
Provision (raised)/reversed on new related party receivables	-	-	241
Provisions reversed/(raised) on settled trade receivables	-	-	8,958
Provision (raised)/reversed on new staff loan	-	-	1,814
	<b>(135,379)</b>	<b>(146,392)</b>	<b>(135,379)</b>

#### The reconciliation of gross carrying amount for NASCON is as follows:

Gross carrying amount as at 1 January	24,952,485	11,246,283	11,246,283
Revenue from third parties	50,431,682	38,165,448	80,828,373
Receipts from third parties	(39,001,743)	(31,207,113)	(78,751,035)
Rebates receivable from related party	-	6,035,927	11,628,864
<b>Gross carrying amount</b>	<b>36,382,424</b>	<b>24,240,545</b>	<b>24,952,485</b>

### 20. Other financial assets

#### Securities held at amortised cost

Fixed deposit	725,307	695,826	725,307
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The fixed deposit balance represents the aggregate amount of dividends that remained unclaimed after 15 months or more which the Registrars returned to the Company in line with current regulations invested with Meristem Wealth Management Limited.

### 21. Other assets

#### Prepayments:

Insurance prepaid	42,701	573	-
Deposit for import	1,816,784	2,617,730	2,040,249
Promotional items	2,828	35,054	3,406
Prepayment-Others	335,061	-	105,501
	<b>2,197,374</b>	<b>2,653,357</b>	<b>2,149,156</b>

### 22. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	6,324	2,018	2,896
Bank balances	12,228,130	16,386,455	25,609,998
	<b>12,234,454</b>	<b>16,388,473</b>	<b>25,612,894</b>

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

	Reviewed 6 Months ended 30 June 2024 N '000	Reviewed 6 Months ended 30 June 2023 N '000	Audited 12 Months ended 31 December 2023 N '000
<b>23. Share capital</b>			
<b>Authorised, issued and fully paid</b>			
2,702,427,145 ordinary shares of 50k each	1,351,213	1,324,719	1,324,719
<b>24. Share premium</b>			
<b>Issued</b>			
Share premium	434,037	434,037	434,037
<b>25. Retained earnings</b>			
Opening balance	25,713,102	17,283,610	17,283,610
Profit for the year	4,844,711	5,822,094	13,728,369
Dividend declared and paid	-	(2,649,438)	(5,298,877)
Bonus share issue	(26,495)	-	-
	<b>30,531,318</b>	<b>20,456,266</b>	<b>25,713,102</b>

At the Board meeting held on 23 May 2024 the Board recommended the following resolutions, which were thereafter approved at the Annual General Meeting held on 23 May 2024

In respect of the year ended 31 December 2023, the Board of Directors of Nascon ("Directors") be and are hereby authorized to capitalize N26,494,384 out of the funds available for distribution by Nascon, and to appropriate the said capitalized sum to the members registered in Nascon's Register of Members at the close of business on 3 May, 2024 ("Qualification Date"), on the condition that the sum appropriated shall not be paid in cash but applied in paying up, to members in the proportion of 1 new ordinary share of 50 kobo for every 50 existing ordinary shares of 50 kobo held by them as at the Qualification Date ("Bonus Shares"), and which Bonus Shares shall rank pari passu in all respects with the existing ordinary shares and the Bonus Shares so distributed being treated for all purposes as capital and not as income, subject to the relevant regulatory approval.

Pursuant to the resolution above, the Company's share capital be and is hereby increased from 2,649,438,378 to 2,702,427,145 ordinary shares, by the creation of additional 52,988,767 ordinary shares of 50 kobo nominal value per share ("Additional Shares").

The share capital has been increased by the creation of 52,988,767 ordinary shares of 50 kobo ("bonus shares") and regulatory approval is pending for the allotment of the bonus shares.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

	Reviewed 6 Months ended 30 June 2024 N '000	Reviewed 6 Months ended 30 June 2023 N '000	Audited 12 Months ended 31 December 2023 N '000
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### 26. Dividend payable

At 1 January	-	-	-
Dividend declared	-	2,649,438	5,298,877
Payments- Meristem Registrars	-	(2,649,438)	(5,298,877)
	-	-	-

### 27. Borrowings

At 1 January	5,532,669	4,831,451	4,831,451
Loan obtained during the year	-	-	701,218
Loan repayment	(1,289,652)	(165,762)	-
	<b>4,243,017</b>	<b>4,665,689</b>	<b>5,532,669</b>

#### Split between non-current and current portions

Non-current liabilities	38,570	38,570	38,570
Current liabilities	4,204,447	4,627,119	5,494,099
	<b>4,243,017</b>	<b>4,665,689</b>	<b>5,532,669</b>

At the time of privatisation in 1992, the debt owed the Federal Government of Nigeria by the Company (N38.570 million) was restructured by the Bureau for Public Enterprise. This is a non interest bearing loan. The Board of Directors have taken steps to obtain a waiver of the loan from the Federal Government of Nigeria and currently awaiting a response.

In the current year, the Company had a Usance facility with Zenith Bank Plc, Access Bank Plc and United Bank for Africa Plc at an average rate of 13.1% per annum. The value of the borrowing was based on drawdown of the facility.

### 28. Lease liabilities

#### Lease liabilities

	Land N'000	Building N'000	Total N'000
Opening balance as at 1 January 2024	2,911,641	1,279,391	4,191,032
Interest expenses	132,699	50,932	183,631
Payments made during the year	(138,888)	(170,620)	(309,508)
<b>Balance 30 June 2024</b>	<b>2,905,452</b>	<b>1,159,703</b>	<b>4,065,155</b>
<b>Lease liabilities</b>			
Current	76,981	237,655	314,636
Non-current	2,770,153	980,366	3,750,519
	<b>2,847,134</b>	<b>1,218,021</b>	<b>4,065,155</b>

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

	Reviewed 6 Months ended 30 June 2024	Reviewed 6 Months ended 30 June 2023	Audited 12 Months ended 31 December 2023
	N '000	N '000	N '000

### 28. Lease liabilities (continued)

Lease liabilities	Land N'000	Building N'000	Total N'000
Opening balance as at 1 January 2023	3,365,808	636,529	4,002,337
Addition/adjustment	(394,256)	871,234	476,978
Interest expenses	273,422	116,512	389,934
Payments made during the year	(333,333)	(344,884)	(678,217)
<b>Balance 31 December 2023</b>	<b>2,911,641</b>	<b>1,279,391</b>	<b>4,191,032</b>
<b>Lease liabilities</b>			
Current	69,569	227,645	297,214
Non-current	2,842,072	1,051,746	3,893,818
	<b>2,911,641</b>	<b>1,279,391</b>	<b>4,191,032</b>

### 29. Retirement benefit obligation

#### Movement in gratuity

At beginning of the period	122,805	133,171	133,171
Benefit paid	(547)	(7,696)	(10,366)
	<b>122,258</b>	<b>125,475</b>	<b>122,805</b>

The entity was operating a defined benefit plan for its permanent Nigerian staff, the benefits under which are related to employees' length of service and final remuneration.

However, the Board resolved to eliminate the scheme effective January, 2013. The valuation of the liabilities is as of that date. The balance as at 30 June, 2024 represents what is owed to staff who are still in the service from the old scheme. Payments are disbursed to staff upon disengagement from the company.

As at 30 June, 2024 no fund has been set up from which payments can be disbursed.

#### Defined contribution plan

The employees of the Company are members of a Defined Contribution Pension plan administered by third-party Pension Fund Administrators under the Pension Reform Act of 2014. The assets of the plan are held separately from those of the Company. The scheme is funded in accordance with the Pension Reform Act of 2014 with the employee and employer contribution representing 8% and 10% respectively of the employee's relevant emoluments effective July 2014.

#### Staff pension

At beginning of the period	-	-	-
Contributions during the year	213,972	148,258	329,649
Remittance in the year	(180,470)	(148,012)	(329,649)
	<b>33,502</b>	<b>246</b>	<b>-</b>

The only obligation of the Company with respect to the pension scheme is to make the specified contributions. The total expense recognised in profit or loss of N100.19 million (2023: N82.45 million) represents contributions payable to this plan by the Company as at 30 June, 2024.



## Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

### Notes to the Unaudited Financial Statements

	Reviewed 6 Months ended 30 June 2024 N '000	Reviewed 6 Months ended 30 June 2023 N '000	Audited 12 Months ended 31 December 2023 N '000
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#### 30. Trade and other payables

##### Financial instruments:

Trade payables	1,888,641	2,698,489	1,366,066
Amounts due to related parties (Note 34)	28,236,589	19,456,625	25,763,427
Unclaimed dividend	725,307	695,826	725,307
Accrued audit fees	21,200	14,125	19,400
Accrued expenses	3,191,308	5,261,912	2,937,287
Other payables	291,679	16,767	40,868
Staff pension	33,502	246	-

##### Non-financial instruments

Value added tax	-	-	-
Withholding tax payable	107,886	101,171	79,167
	<b>34,496,112</b>	<b>28,245,161</b>	<b>30,931,522</b>

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers, no interest is charged on the trade payables. The Directors consider that the carrying amount of trade payables approximates to the fair value.

#### 31. Contract liabilities

##### Summary of contract liabilities

Advance payment from customers	2,198,327	3,006,802	6,341,007
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#### 32. Cash generated from operations

Profit before taxation		7,230,911	8,625,326	20,588,259
<b>Adjustments for:</b>				
Depreciation	16	943,293	1,063,381	2,231,524
Depreciation of right of use asset	17	121,205	72,175	252,493
Gains on disposals of property, plant and equipments	8	(5,207)	-	(39,127)
Lease modification		-	-	(24,269)
Unrealised exchange gain		59,192	-	228,373
Interest received	11	(658,810)	(309,266)	(927,498)
Interest paid	12	626,254	486,506	1,435,308
Impairment (reversal) for credit losses	9	-	-	(11,013)
<b>Changes in working capital:</b>				
Inventories	18	(230,788)	617,242	(2,906,253)
Trade and other receivables	19	(13,451,581)	(13,553,950)	(16,069,499)
Prepayments	21	(48,218)	2,905,390	3,409,591
Trade and other payables	30	3,564,588	8,067,571	10,753,935
Contract liabilities	31	(4,142,680)	907,488	4,241,693
<b>Cash generated from operations</b>		<b>(5,991,841)</b>	<b>8,881,863</b>	<b>23,163,517</b>

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

### 33. Financial instruments and risk management

#### 33.1 Capital risk management

The capital structure of the Company consists of net debt (which includes the borrowings disclosed in Note 27, offset by cash and bank balances and equity attributable to equity holders, comprising issued capital, reserves and retained earnings as disclosed in relevant notes in the financial statements. The Company monitors its capital structure to ensure that the target debt equity ratio as stated in its debt covenants is not exceeded. The Company is not subject to any externally imposed capital requirements.

The capital structure and gearing ratio of the Company at the reporting date was as follows:

		Reviewed 6 Months ended 30 June 2024	Reviewed 6 Months ended 30 June 2023	Audited 12 Months ended 31 December 2023
	Notes	N '000	N '000	N '000
Borrowings	27	4,243,017	4,665,689	5,532,669
Lease liabilities	28	4,065,155	3,878,587	4,191,032
Trade and other payables	30	34,496,112	28,245,161	30,931,522
<b>Total debts</b>		<b>42,804,284</b>	<b>36,789,437</b>	<b>40,655,223</b>
Cash and cash equivalents	22	(12,234,454)	(16,388,473)	(25,612,894)
<b>Net debts</b>		<b>30,569,830</b>	<b>20,400,964</b>	<b>15,042,329</b>
Equity		32,316,568	22,215,022	27,471,858
Gearing ratio		95 %	92 %	55 %

#### 33.2 Financial risk management

##### Financial risk management

Risk management roles and responsibilities are assigned to stakeholders in the Company at three levels: The Board, Executive Committee and Line Managers.

The Board oversight is performed by the Board of Directors through the Establishment and General Purpose and Finance, Risk and Audit Committees.

The second level is performed by the Executive Management Committee (EXCO).

The third level is performed by all line managers under EXCO and their direct reports. They are required to comply with all risk policies and procedures and to manage risk exposures that arise from daily operations.

The Internal Audit Department provides an independent assurance of the risk framework. They assess compliance with established controls and recommendations for improvement in processes are escalated to relevant management, Audit Committee and Board of Directors.

The Company monitors and manages financial risks relating to its operations through an internal risk report which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

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### 33.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparty and obtaining sufficient collateral where appropriate (bank guarantee and insurance bonds), as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available, and if not available, the Company uses other publicly available financial information, customers' financial position, past trading relationship, its own trading records and other factors to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management team periodically.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and where appropriate, credit guarantee insurance cover is purchased.

About 68% (2023: 90%) of the trade receivables are due from Bulk Commodities Limited, a related party, for rebate on purchase of Salt. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are otherwise diverse including both corporate entities and lots of individual end users. The requirement for impairment is analyzed at each reporting date on an individual basis for corporate and individual customers.

### 33.4 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the statement of financial position date. The contractual maturity is based on the earliest date on which the Company may be required to pay.

## Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

### Notes to the Unaudited Financial Statements

#### 30 June 2024

		0-3 months	3-6 months	6-12 months	Over 1 year	Total	Carrying amount
		N'000	N'000	N'000	N'000	N'000	N'000
Borrowings	27	-	-	-	38,570	38,570	38,570
Lease liabilities	28	-	-	-	5,269,167	5,269,167	3,750,519
Trade and other payables	28	22,782,089	2,247,647	2,354,636	7,003,854	34,388,226	34,388,226
Borrowings	27	-	-	4,204,447	-	4,204,447	4,204,447
Lease liabilities	28	89,444	83,333	241,944	-	414,721	314,636
<b>Total financial liabilities</b>		<b>22,871,533</b>	<b>2,330,980</b>	<b>6,801,027</b>	<b>12,311,591</b>	<b>44,315,131</b>	<b>42,696,398</b>

#### 31 December 2023

		0-3 months	3-6 months	6-12 months	Over 1 year	Total	Carrying amount
		N'000	N'000	N'000	N'000	N'000	N'000
Borrowings	27	-	-	-	38,570	38,570	38,570
Lease liabilities	28	-	-	-	5,605,278	5,605,278	3,893,818
Trade and other payables	30	22,282,430	1,283,727	501,888	6,863,477	30,931,522	30,852,355
Borrowings	27	701,217	-	4,792,882	-	5,494,099	5,494,099
Lease liabilities	28	150,833	89,444	174,444	297,214	711,935	297,214
<b>Total financial liabilities</b>		<b>23,134,480</b>	<b>1,373,171</b>	<b>5,469,214</b>	<b>12,804,539</b>	<b>42,781,404</b>	<b>40,576,056</b>

#### 33.5 Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company is mainly exposed to USD. It monitors the movement in currency rates on an ongoing basis to mitigate the risk that the movements in the exchange rates may adversely affect the Company's income or value of their holdings of financial instruments.

#### 33.6 Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with its corporate treasury policy that spells out counterparty limits, list of financial institutions that the Company deals with and the maximum tenure of fixed term funds. Surplus funds are spread amongst these institutions and funds must be within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Corporate Treasurer periodically and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through the potential counterparty's failure.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

### 34. Related parties

#### Related party balances

	Reviewed 6 Months ended 30 June 2024 N '000	Reviewed 6 Months ended 30 June 2023 N '000	Audited 12 Months ended 31 December 2023 N '000
<b>Intercompany receivables Parent and ultimate controlling party</b>			
Dangote Industries Limited (Parent)	6,192,988	-	6,000,000
<b>Other related party receivables</b>			
Dangote Cement Plc (Benue Plant)	-	900	-
Dangote Sugar Refinery	1,026	31,315	10,459
West African Popular Foods*	62,243	62,243	62,243
Bulk Commodities Limited	28,091,686	22,770,653	17,905,678
	<b>34,347,943</b>	<b>22,865,111</b>	<b>23,978,380</b>
<b>Intercompany payables</b>			
Dangote Industries Limited (Parent)	-	1,521,632	735,602
<b>Other related party payables</b>			
Dangote Sugar Refinery Plc	434,023	-	-
Dancom Technologies Limited	7,528	-	22,832
Greenview Development Nigeria Limited	2,041,240	20,301	1,354,811
Bluestar Shipping Line Limited	48,591	40,194	33,415
Dangote Cement Plc. (Obajana Plant)	3,501	24,178	3,499
Aliko Dangote Foundation	9,771	9,771	-
Dangote Packaging Limited	400,748	121,490	204,902
Dangote Industries Limited (Central Stores)	2,453	22,483	6,013
Dangote Cement Plc (Head Office)	1,403,016	1,719,081	1,281,083
Dangote Cement Plc. (Benue Plant)	-	77,934	-
Dangote Cement Plc. (Benue Plant Truck scheme)	219,311	219,311	219,311
Dangote Cement Plc. (Ibese Plant)	21,632	-	-
Dangote Sinotruck West Africa Limited	1,560,665	-	-
Dangote Fertilizer Limited	114,539	-	25,059
Bulk Commodities Limited	21,969,571	15,680,250	21,876,900
	<b>28,236,589</b>	<b>19,456,625</b>	<b>25,763,427</b>

\*The balance due from West African Popular Foods has been fully impaired.

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

### 34. Related parties (continued)

#### Relationships

Dangote Cement Plc, Gboko Plant	Fellow subsidiary, provides trucks for the Company
Bulk Commodities Limited	Affiliate, purchases raw salt for the Company
Dangote Industries Limited (Central Stores)	Fellow subsidiary, the Company purchases spare parts
Dancom Technologies Limited	Fellow subsidiary, provides internet services and IT support for the Company
Dangote Packaging Limited	Fellow subsidiary, produces empty sacks for the Company
Dangote Cement Plc	Fellow subsidiary, buys Crude Salt from the Company and procures trucks on behalf of the Company
Aliko Dangote Foundation	Affiliate, engages in philanthropy
Dangote Industries Limited	Ultimate controlling party
Bluestar Shipping Line Limited	Fellow subsidiary, provide clearing services for the Company
Dangote Oil Refining Company Limited	Affiliate, the Company purchases equipment
Dangote Sugar Refinery Plc.	Fellow subsidiary, buys crude salt from the Company and provides warehouse facility to the Company
Dangote Transport Limited	Fellow subsidiary, provides haulage services to the Company
Dangote Sinotruk West Africa Limited	Fellow subsidiary, the Company purchases trucks and spare parts
Greenview Development Nigeria Limited	Fellow subsidiary, provides port and terminal services to the Company
Dangote Cement Plc, (Obajana Plant)	Fellow subsidiary, the Company provides haulage services
West African Popular Foods	Joint venture with Unilever, purchased and sold Annapurna Salt
Dangote Fertilizer Limited	Affiliate, the Company purchases equipment

### 35. Compensation to directors

	Reviewed 6 Months ended 30 June 2024 N '000	Reviewed 6 Months ended 30 June 2023 N '000	Audited 12 Months ended 31 December 2023 N '000
Short-term employee benefits	196,453	94,899	188,555
	<b>196,453</b>	<b>94,899</b>	<b>188,555</b>
<b>Directors fee and expenses</b>			
Directors fees	4,500	3,850	5,500
Directors expenses	191,953	91,049	183,055
	<b>196,453</b>	<b>94,899</b>	<b>188,555</b>

The number of Directors with gross emoluments within the bands stated below were: N'000

	Number	Number	Number
1 — 30,000	-	10	10
30,001 — and above	10	-	-
	<b>10</b>	<b>10</b>	<b>10</b>

# Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

## Notes to the Unaudited Financial Statements

	Reviewed 6 Months ended 30 June 2024 N '000	Reviewed 6 Months ended 30 June 2023 N '000	Audited 12 Months ended 31 December 2023 N '000
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### 36. Employee costs

Average number of persons employed during the year

Distribution cost	Number	Number	Number
Management	102	71	86
Senior staff	216	228	224
Junior staff	366	363	363
	<b>684</b>	<b>662</b>	<b>673</b>

The table shows the number of employees (excluding directors) whose earnings during the period fell within the ranges shown below:  
(N'000)

	Number	Number	Number
N1 - N5,000	641	627	544
N5,001 - N10,000	31	26	91
N10,001 - N15,000	9	9	16
N15,001 - N20,000	3	-	11
N20,001 and above	-	-	11
	<b>684</b>	<b>662</b>	<b>673</b>

### 37. Commitments

The Company's total capital commitments as at 30 June 2024 amounted to N212 million in respect of plant rehabilitation (2023: N420 million).

### 38. Contingent assets and Contingent liabilities

#### 38.1 Pending litigation and claims.

There are certain lawsuits and claims pending against the Company in various courts of law which are being handled by external legal counsels. The contingent liabilities in respect of pending litigation and claims amounted to N13.2 million as at 30 June 2024. (2023 - N13.0 million). In the opinion of the Directors and based on independent legal advice, the Company is not expected to suffer any material loss arising from these claim, thus no provision has been made in these financial statements.

#### 38.2 Financial commitments

The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the state of affairs of the Company, have been taken into consideration in the preparation of these financial statements.

## Nascon Allied Industries Plc

(Registration number 11364)

Unaudited Financial Statements for the interim period ended 30 June 2024

### Notes to the Unaudited Financial Statements

#### 39. Shareholding structure/Free float status

Description	30 June 2024		30 June 2023	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	2,702,427,145	100	2,649,438,378	100
<b>Substantial shareholdings (5% and above)</b>				
Dangote Industries Limited	1,647,763,557	62.19	1,647,763,557	62.19
STANBIC IBTC NOMINEES LTD/C002 - MAIN	-	-	264,071,949	9.97
	<b>1,647,763,557</b>	<b>62.19</b>	<b>1,911,835,506</b>	<b>72.16</b>
<b>Directors shareholdings</b>				
'Yemisi Ayeni	200,000	0.01	200,000	0.01
Mabe Thabo	-	-	-	-
Fatima Aliko Dangote	-	-	-	-
Olakunle Alake	4,419,959	0.17	4,419,959	0.17
Halima Aliko Dangote	-	-	-	-
Abdu Dantata	2,000,000	0.08	2,000,000	0.08
Sada Ladan-Baki	1,028,497	0.04	1,028,497	0.04
Chris Ogbechie	102,000	-	100,000	-
Knut Ulvmoen	-	-	-	-
Fatima Wali-Abdurrahman	-	-	-	-
	<b>7,750,456</b>	<b>0.30</b>	<b>7,748,456</b>	<b>0.30</b>
Free float in units and Percentage	993,924,365	37.51	729,854,416	27.54
Free Float in Value (in Naira)	34,290,390,593	-	13,648,277,579	-

#### Declaration:

Nascon Allied Industries Plc with a free float value of N34,290,390,593 (37.51% in volume) as at 30 June 2024 is in compliance with the Exchange's free float requirements for companies listed on the Main Board.

Nascon Allied Industries Plc with a free float value of N13,648,277,579.20 (27.55% in volume) as at 30 June 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

#### 40. Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Nascon Allied Industries 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.

#### 41. Approval of Unaudited financial statements

The Board approved the unaudited financial statements during its meeting of 29 July 2024.