



**Berger Paints Nigeria Plc**  
**Unaudited Consolidated and Separate Financial Statements**  
**For the Third Quarter ended 30 September, 2024**

| <b>Contents</b>  | <b>Page</b> |
|--|-------------|
| Corporate Information                                      | 3           |
| Shareholding Structure and Free Float Status               | 4           |
| Financial Highlights                                       | 5           |
| Statement of Financial Position                            | 6           |
| Statement of Profit or Loss and Other Comprehensive Income | 7           |
| Statement of Changes in Equity                             | 8           |
| Statement of Cash Flows                                    | 9           |
| Notes to the Financial Statements                          | 10          |
| Other National Disclosures                                 | 59          |

**Corporate Information**

|                            |                       |   |                                      |
|----------------------------|-----------------------|---|--------------------------------------|
| <b>Board of Directors:</b> | Abi Ayida             | - | Chairman                             |
|                            | Adekunle Olowokande   | - | Non - Executive Director             |
|                            | Raj Mangtani (Indian) | - | Non - Executive Director             |
|                            | Ogechi Iheanacho      | - | Non - Executive Director             |
|                            | Erejuwa Gbadebo       | - | Independent Non - Executive Director |
|                            | Aisha Umar            | - | Independent Non - Executive Director |
|                            | Alaba Fagun           | - | Managing Director                    |

**Company**

**Secretary/Legal Adviser** Omolara Bello

**Registered Office:** 102, Oba Akran Avenue,  
Ikeja, Industrial Estate  
P.M.B. 21052, Ikeja, Lagos.

**Contact Details** Mobile: +234 810 216 4586  
0700BERGERPAINTS [0700237437724687]  
Email: customercare@bergerpaintnig.com  
Website: www.bergerpaintsnig.com

**Social Media Accounts**

Facebook: [www.facebook.com/BergerPaintsNigeriaPlc](http://www.facebook.com/BergerPaintsNigeriaPlc)  
LinkedIn: [www.linkedin.com/company/berger-paints-nigeria-](http://www.linkedin.com/company/berger-paints-nigeria-)  
Twitter: [www.twitter.com/BergerPaintsNg](http://www.twitter.com/BergerPaintsNg)  
Instagram: [www.instagram.com/bergerpaintsnigeriaapl](http://www.instagram.com/bergerpaintsnigeriaapl)  
You Tube: [www.youtube.com/channel/UCD\\_T-Wid299NWbfHxA4rGXg](http://www.youtube.com/channel/UCD_T-Wid299NWbfHxA4rGXg)

**Investors Relation**

Berger Paints Nigeria Plc. has a dedicated investors' portal on its corporate website which can be accessed via this link:  
<https://bergerpaintsnig.com/investor/>  
The Company's Investors' Relations Officer can also be reached through electronic mail at: [investors@bergerpaintnig.com](mailto:investors@bergerpaintnig.com); or telephone on: +234 9037757191 for any investment related enquiry.

**NSE Trading Information**

Trading Name: Berger Paints Nig. Plc. (Berger)  
Ticker Symbol: Berger  
Sector: Industrial Goods  
Sub Sector: Building Materials  
Market Classification: Main Board

**Registration Number:**

RC: 1837

**TIN**

01335257-0001

**FRC Registration Number:**

FRC/2012/0000000000295

**Registrars:**

Meristem Registrars Limited  
213, Herbert Macaulay Way, Adekunle, Yaba, Lagos.  
P.O. Box 51585, Falomo, Ikoyi, Lagos  
Tel: 8920491, 8920492, 01-2809250-3  
Email: [info@meristemregistrars.com](mailto:info@meristemregistrars.com)  
Website: [www.meristemregistrars.com](http://www.meristemregistrars.com)

**Independent Auditor:**

PKF Professional Services  
205A Ikorodu - Ososun Road  
Obanikoro  
Lagos  
Tel: +234 903 000 1351

**Bankers:**

|                                  |                            |
|----------------------------------|----------------------------|
| Access Bank Plc                  | Keystone Bank Limited      |
| Ecobank Nigeria Limited          | Polaris Bank Limited       |
| Fidelity Bank Plc                | Union Bank of Nigeria Plc  |
| First Bank of Nigeria Limited    | United Bank for Africa Plc |
| First City Monument Bank Limited | Wema Bank Plc              |
| Guaranty Trust Bank Plc          | Zenith Bank Plc            |
| Sterling Bank Plc                |                            |

### Shareholding Structure and Free Float Status

**Company Name:** Berger Paint Nigeria PLC  
**Board Listed:** Main Board  
**year End:** 31 December  
**Reporting Period:** 30-Sep-24  
**Share Price at end of reporting period:** N21.1 (30 September 2023: N11.65)

| Description  | 30 September 2024    |              | 30 September 2023    |              |
|--|----------------------|--------------|----------------------|--------------|
|  | Unit                 | Percentage   | Unit                 | Percentage   |
| Issued Share Capital   | 289,823,447          | 100.00       | 289,823,447          | 100.00       |
| <b>Substantial Shareholdings (5% and above):</b>   |                      |              |                      |              |
| JUREWA INVESTMENTS LIMITED   | 16,685,111           | 5.76         | 16,685,111           | 5.76         |
| HARMONY TRUST & INVT. CO LTD.  | 20,000,000           | 6.90         | 20,000,000           | 6.90         |
| ALEMAJE AND COMPANY LIMITED  | 16,315,506           | 5.63         | 16,315,506           | 5.63         |
| CAB (OVERSEAS HOLDINGS) LIMITED  | 16,315,506           | 5.63         | 16,315,506           | 5.63         |
| MIKEADE INVESTMENTS LIMITED  | 19,196,095           | 6.62         | 19,196,095           | 6.62         |
| <b>Total Substantial Shareholdings</b>   | <b>88,512,218</b>    | <b>30.54</b> | <b>88,512,218</b>    | <b>30.54</b> |
| <b>Directors Shareholdings (Direct &amp; Indirect, excluding Directors with Substantial Interests)</b> |                      |              |                      |              |
| MR. AYIDA ABI  | 625,601              | 0.22         | 625,601              | 0.22         |
| MR. RAJ MANGTANI   | -                    | -            | -                    | -            |
| MR. ADEKUNLE OLUROTIMI OLOWOKANDE  | 197,965              | 0.07         | 197,965              | 0.07         |
| MRS. OGECHI IHEANACHO  | 100,000              | 0.03         | 100,000              | -            |
| MRS. EREJUWA GBADEBO   | -                    | -            | -                    | -            |
| MRS. AISHA UMAR  | -                    | -            | -                    | -            |
| <b>Total Directors' Shareholdings</b>  | <b>923,566</b>       | <b>0.32</b>  | <b>923,566</b>       | <b>0.29</b>  |
| <b>FREE FLOAT IN UNITS &amp; PERCENTAGE</b>  | <b>200,387,663</b>   | <b>69.14</b> | <b>200,387,663</b>   | <b>69.17</b> |
| <b>FREE FLOAT IN VALUE (N)</b>   | <b>4,228,179,689</b> |              | <b>2,334,516,274</b> |              |

**Declaration:** Berger Paints PLC with a free float value of N4,228,179,689 (69.14%) as at 30 September, 2024 (30 September 2023: N2,335,681,274(69.17%)) is compliant with the Nigerian Exchange's free float requirements for companies listed on the Main Board.

**Omolara Bello**  
Company Secretary/ Legal Adviser  
FRC/2019/NBA/00000019782

**Company Financial Highlights**

*In thousands of naira*

|   | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2023</b> | <b>%</b> |
|---|----------------------------------|----------------------------------|----------|
| Revenue   | 7,502,503                        | 5,416,780                        | 39       |
| Gross profit                                    | 2,370,731                        | 1,816,425                        | 31       |
| Operating profit                                | 363,805                          | 583,468                          | (38)     |
| Profit before taxation                          | 335,235                          | 585,012                          | (43)     |
| Profit for the period                           | 227,960                          | 397,808                          | (43)     |
| Share capital                                   | 144,912                          | 144,912                          | -        |
| Total equity                                    | 3,507,357                        | 3,531,398                        | (1)      |
| <b>Data per 50k share</b>                       |                                  |                                  |          |
| Basic earnings per share (kobo)                 | 79                               | 137                              | (42)     |
| Net assets per share (Naira)                    | 12.10                            | 11.18                            | 8        |
| Market price per share as at period end (Naira) | 21.10                            | 11.65                            | 81       |
| Market capitalization as at period end          | 6,115,286                        | 3,376,450                        | 81       |

## Unaudited Separate and Consolidated Statement of Financial Position

As at 30th September, 2024

In thousands of naira

|                                      |           | <b>GROUP</b>       | <b>COMPANY</b>     | <b>COMPANY</b>     |
|--------------------------------------|-----------|--------------------|--------------------|--------------------|
|                                      |           | <b>30 Sep 2024</b> | <b>30 Sep 2024</b> | <b>31 Dec 2023</b> |
| <b>Assets</b>                        |           |                    |                    |                    |
| Property, plant and equipment        | 13(a)     | 2,574,937          | 2,562,739          | 2,518,366          |
| Intangible assets                    | 14        | 38,389             | 38,389             | 17,602             |
| Tax assets                           | 11(c)(ii) | 34,136             | 34,136             | 0                  |
| Investment property                  | 15        | 326,245            | 326,245            | 341,514            |
| Investment in Subsidiary             |           | -                  | 20,000             | 20,000             |
| <b>Total non-current assets</b>      |           | <b>2,973,707</b>   | <b>2,981,509</b>   | <b>2,897,482</b>   |
| Inventories                          | 16        | 2,562,098          | 2,562,098          | 2,148,260          |
| Trade and other receivables          | 17(a)     | 109,247            | 125,045            | 310,035            |
| Deposit for imports                  | 18        | -                  | 0                  | 46,601             |
| Prepayments and advances             | 19        | 203,083            | 198,493            | 153,433            |
| Other financial assets               | 21        | 387,704            | 387,704            | 257,122            |
| Cash and cash equivalents            | 20        | 563,687            | 553,565            | 798,037            |
| <b>Total current assets</b>          |           | <b>3,825,819</b>   | <b>3,826,905</b>   | <b>3,713,488</b>   |
| <b>Total assets</b>                  |           | <b>6,799,529</b>   | <b>6,808,416</b>   | <b>6,610,970</b>   |
| <b>Equity</b>                        |           |                    |                    |                    |
| Share capital                        | 22(a)     | 144,912            | 144,912            | 144,912            |
| Share premium                        | 22(b)     | 635,074            | 635,074            | 635,074            |
| Retained earnings                    |           | 2,727,371          | 2,747,516          | 2,751,415          |
| <b>Total equity</b>                  |           | <b>3,507,357</b>   | <b>3,527,502</b>   | <b>3,531,401</b>   |
| <b>Liabilities</b>                   |           |                    |                    |                    |
| Loans and borrowings                 | 25        | 309,766            | 309,766            | 322,815            |
| Deferred income                      | 24        | 153,800            | 153,800            | 166,138            |
| Deferred taxation                    | 11(e)     | 533,748            | 533,748            | 533,748            |
| <b>Total non-current liabilities</b> |           | <b>997,314</b>     | <b>997,314</b>     | <b>1,022,701</b>   |
| Loans and borrowings                 | 25        | 22,403             | 22,403             | 22,403             |
| Current tax liabilities              | 11(c)     | 159,829            | 157,688            | 184,330            |
| Trade and other payables             | 23        | 1,691,801          | 1,682,684          | 1,409,786          |
| Deferred income                      | 24        | 58,068             | 58,068             | 58,068             |
| Dividend payable                     | 27        | 362,757            | 362,757            | 382,281            |
| <b>Total current liabilities</b>     |           | <b>2,294,858</b>   | <b>2,283,600</b>   | <b>2,056,868</b>   |
| <b>Total liabilities</b>             |           | <b>3,292,172</b>   | <b>3,280,914</b>   | <b>3,079,569</b>   |
| <b>Total equity and liabilities</b>  |           | <b>6,799,529</b>   | <b>6,808,416</b>   | <b>6,610,970</b>   |

These financial statements were approved by the Board of Directors on 22 October, 2024 and signed on its behalf by:



Abi Ayida (FRC/2019/IODN/00000019260)

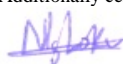
Chairman



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

Director

Additionally certified by:



Nkechi Ojeyokan (FRC/2021 /001/00000022533)

Chief Finance Officer

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

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

As at 30 September, 2024

|   | Notes | QUARTER TO DATE       |                       |                       | YEAR TO DATE          |                       |                       |
|---|-------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   |       | GROUP                 | COMPANY               | COMPANY               | GROUP                 | COMPANY               | COMPANY               |
|   |       | 3 Mths to 30 Sep 2024 | 3 Mths to 30 Sep 2024 | 3 Mths to 30 Sep 2023 | 9 Mths to 30 Sep 2024 | 9 Mths to 30 Sep 2024 | 9 Mths to 30 Sep 2023 |
| <i>In thousands of naira</i>                      |       |                       |                       |                       |                       |                       |                       |
| Revenue   | 5     | 2,619,178             | 2,545,098             | 1,871,486             | 7,576,583             | 7,502,503             | 5,416,780             |
| Cost of sales                                     | 9(a)  | <u>(1,653,344)</u>    | <u>(1,603,891)</u>    | <u>(1,238,004)</u>    | <u>(5,181,225)</u>    | <u>(5,131,772)</u>    | <u>(3,600,355)</u>    |
| <b>Gross profit</b>                               |       | <b>965,834</b>        | <b>941,207</b>        | <b>633,482</b>        | <b>2,395,358</b>      | <b>2,370,731</b>      | <b>1,816,425</b>      |
| Other income                                      | 6     | 23,610                | 23,610                | 11,405                | 59,353                | 59,353                | 61,070                |
| Selling and distribution expenses                 | 9(a)  | <u>(143,431)</u>      | <u>(143,431)</u>      | <u>(109,089)</u>      | <u>(447,187)</u>      | <u>(447,133)</u>      | <u>(241,534)</u>      |
| Administrative expenses                           | 9(a)  | <u>(613,337)</u>      | <u>(593,596)</u>      | <u>(390,349)</u>      | <u>(1,638,834)</u>    | <u>(1,619,146)</u>    | <u>(1,052,492)</u>    |
| <b>Operating profit before impairment charges</b> |       | <b>232,676</b>        | <b>227,790</b>        | <b>145,449</b>        | <b>368,690</b>        | <b>363,805</b>        | <b>583,469</b>        |
| Impairment loss on trade receivables              | 8     | -                     | -                     | -                     | -                     | -                     | -                     |
| <b>Operating profit</b>                           |       | <b>232,675</b>        | <b>227,790</b>        | <b>145,449</b>        | <b>368,690</b>        | <b>363,805</b>        | <b>583,468</b>        |
| Finance income                                    | 7     | 2,431                 | 2,431                 | 1,851                 | 9,894                 | 9,894                 | 4,219                 |
| Finance costs                                     | 7     | <u>(16,957)</u>       | <u>(16,957)</u>       | <u>(2,009)</u>        | <u>(38,464)</u>       | <u>(38,464)</u>       | <u>(2,676)</u>        |
| <b>Net finance income</b>                         |       | <b>(14,526)</b>       | <b>(14,526)</b>       | <b>(158)</b>          | <b>(28,570)</b>       | <b>(28,570)</b>       | <b>1,543</b>          |
| <b>Profit before minimum tax</b>                  |       | <b>218,149</b>        | <b>213,264</b>        | <b>145,291</b>        | <b>340,120</b>        | <b>335,235</b>        | <b>585,012</b>        |
| <b>Profit before income tax</b>                   | 8     | <b>218,149</b>        | <b>213,264</b>        | <b>145,291</b>        | <b>340,120</b>        | <b>335,235</b>        | <b>585,012</b>        |
| Income tax expense                                | 11(a) | <u>(69,807)</u>       | <u>(68,244)</u>       | <u>(46,493)</u>       | <u>(108,839)</u>      | <u>(107,275)</u>      | <u>(187,204)</u>      |
| <b>Profit for the period</b>                      |       | <b>148,342</b>        | <b>145,019</b>        | <b>98,797</b>         | <b>231,281</b>        | <b>227,960</b>        | <b>397,808</b>        |
| <b>Other comprehensive income</b>                 |       |                       |                       |                       |                       |                       |                       |
| Other comprehensive income for the period         |       |                       | -                     | -                     |                       | -                     | -                     |
| <b>Total comprehensive income for the period</b>  |       | <b>148,342</b>        | <b>145,019</b>        | <b>98,797</b>         | <b>231,281</b>        | <b>227,960</b>        | <b>397,808</b>        |
| <b>Earnings per share:</b>                        |       |                       |                       |                       |                       |                       |                       |
| Basic and diluted earnings per share (kobo)       | 12    | <u>51</u>             | <u>50</u>             | <u>34</u>             | <u>80</u>             | <u>79</u>             | <u>137</u>            |

**Consolidated Statement of Changes in Equity**  
*As at 30 September, 2024*  
*In thousands of naira*

| Note   | Share<br>capital | Share<br>premium | Retained<br>earnings | Total equity     |
|--|------------------|------------------|----------------------|------------------|
| <b>GROUP</b>   |                  |                  |                      |                  |
| <b>Balance at 1 January 2024</b>                             | <b>144,912</b>   | <b>635,074</b>   | <b>2,727,948</b>     | <b>3,507,934</b> |
| <b>Comprehensive income for the period</b>                   |                  |                  |                      |                  |
| Profit for the period  | -                | -                | 231,281              | 231,281          |
| Other comprehensive income for the period                    | -                | -                | -                    | -                |
| <b>Total comprehensive income for the period</b>             | <b>-</b>         | <b>-</b>         | <b>231,281</b>       | <b>231,281</b>   |
| <b>Transactions with owners, recorded directly in equity</b> |                  |                  |                      |                  |
| Dividend   | -                | -                | (231,859)            | (231,859)        |
| <b>Total transactions with owners</b>                        | <b>-</b>         | <b>-</b>         | <b>(231,859)</b>     | <b>(231,859)</b> |
| <b>Balance at 30 September, 2024</b>                         | <b>144,912</b>   | <b>635,074</b>   | <b>2,727,370</b>     | <b>3,507,355</b> |
| <b>COMPANY</b>   |                  |                  |                      |                  |
| <b>Balance at 1 January 2024</b>                             | <b>144,912</b>   | <b>635,074</b>   | <b>2,751,415</b>     | <b>3,531,401</b> |
| <b>Comprehensive income for the period</b>                   |                  |                  |                      |                  |
| Profit for the period  | -                | -                | 227,960              | 227,960          |
| Other comprehensive income for the period                    | -                | -                | -                    | -                |
| <b>Total comprehensive income for the period</b>             | <b>-</b>         | <b>-</b>         | <b>227,960</b>       | <b>227,960</b>   |
| <b>Transactions with owners, recorded directly in equity</b> |                  |                  |                      |                  |
| Dividend   | -                | -                | (231,859)            | (231,859)        |
| <b>Total transactions with owners</b>                        | <b>-</b>         | <b>-</b>         | <b>(231,859)</b>     | <b>(231,859)</b> |
| <b>Balance at 30 September 2024</b>                          | <b>144,912</b>   | <b>635,074</b>   | <b>2,747,516</b>     | <b>3,527,502</b> |
| <b>COMPANY</b>   |                  |                  |                      |                  |
| <b>Balance at 1 January 2023</b>                             | <b>144,912</b>   | <b>635,074</b>   | <b>2,543,459</b>     | <b>3,323,445</b> |
| <b>Comprehensive income for the period</b>                   |                  |                  |                      |                  |
| Profit for the period  | -                | -                | 468,797              | 468,797          |
| Other comprehensive income for the period                    | -                | -                | -                    | -                |
| <b>Total comprehensive income for the period</b>             | <b>-</b>         | <b>-</b>         | <b>468,797</b>       | <b>468,797</b>   |
| <b>Transactions with owners, recorded directly in equity</b> |                  |                  |                      |                  |
| Dividend   | -                | -                | (260,841)            | (260,841)        |
| <b>Total transactions with owners</b>                        | <b>-</b>         | <b>-</b>         | <b>(260,841)</b>     | <b>(260,841)</b> |
| <b>Balance at 31 December 2023</b>                           | <b>144,912</b>   | <b>635,074</b>   | <b>2,751,416</b>     | <b>3,531,400</b> |

**Unaudited Consolidated and Separate Statement of Cash Flows**

*As at 30 September, 2024*

*In thousands of naira*

|   | Note  | 2024                              |                                     |                        |
|---|-------|-----------------------------------|-------------------------------------|------------------------|
|   |       | GROUP<br>9 Mths to 30<br>Sep 2024 | COMPANY<br>9 Mths to 30<br>Sep 2024 | COMPANY<br>31 Dec 2023 |
| <b>Cash flows from operating activities</b>         |       |                                   |                                     |                        |
| Profit for the period                               |       | 231,281                           | 227,960                             | 468,797                |
| Adjustments for:                                    |       |                                   |                                     |                        |
| - Depreciation                                      | 9(b)  | 177,047                           | 174,958                             | 224,352                |
| - Transfer of Property, plant and equipment         |       |                                   |                                     | 11,260                 |
| - Amortisation                                      | 14    | 8,238                             | 8,238                               | 10,877                 |
| - Finance income                                    | 7     | (9,894)                           | (9,894)                             | (53,458)               |
| - Writeback/(impairment loss) on trade receivables  |       |                                   |                                     | 44,566                 |
| - Finance cost                                      | 7     | 38,464                            | 38,464                              | 28,419                 |
| - Gain on sale of property, plant and equipment     | 8     | (6,000)                           | (6,000)                             | (18,514.00)            |
| - Taxation  | 11(a) | 105,712                           | 107,275                             | 330,986                |
|   |       | <u>544,848</u>                    | <u>541,001</u>                      | <u>1,047,285</u>       |
| <i>Changes in:</i>                                  |       |                                   |                                     |                        |
| - Inventories                                       |       | (413,838)                         | (413,838)                           | (781,473)              |
| - Trade and other receivables                       | 17(c) | 169,125                           | 187,370                             | (111,250)              |
| - Deposit for imports                               |       | 46,601                            | 46,601                              | 41,324                 |
| - Prepayments and advances                          | 19(a) | (66,670)                          | (79,196)                            | (88,410)               |
| - Trade and other payables                          | 23(c) | 281,591                           | 272,898                             | 183,312                |
| - Deferred income                                   |       | (12,338)                          | (12,338)                            | 132,165                |
| <b>Cash generated from operating activities</b>     |       | <u>549,319</u>                    | <u>542,498</u>                      | <u>422,953</u>         |
| WHT credit notes utilised                           | 11(c) | (53,538)                          | (53,538)                            | -                      |
| Tax paid  | 11(c) | (80,394)                          | (80,394)                            | (14,759)               |
| <b>Net cash generated from operating activities</b> |       | <u>415,387</u>                    | <u>408,566</u>                      | <u>408,195</u>         |
| <b>Cash flows from investing activities</b>         |       |                                   |                                     |                        |
| Purchase of property plant and equipment            | 13(g) | (204,009)                         | (204,009)                           | (284,088)              |
| Acquisition of Intangible assets                    |       | (29,025)                          | (29,025)                            | (652)                  |
| Proceeds from sale of property, plant and equipment |       | 6,000                             | 6,000                               | 20,348                 |
| Interest income on other financial assets           | 7     | 7,474                             | 7,474                               | 30                     |
| Additions to investment in financial assets         | 22    | (130,582)                         | (130,582)                           | 0                      |
| Proceed from liquidation of investment              |       |                                   |                                     | 143,171                |
| Investment in Subsidiary                            |       | -                                 | 0                                   | (20,000)               |
| <b>Net cash used in investing activities</b>        |       | <u>(350,141)</u>                  | <u>(350,141)</u>                    | <u>(141,191)</u>       |
| <b>Cash flows from financing activities</b>         |       |                                   |                                     |                        |
| Additions to loans and borrowings                   | 25(b) | 50,023                            | 0                                   | 345,604                |
| Repayment of borrowings                             | 26(b) | (64,020)                          | (13,049)                            | (25,131)               |
| Interest paid                                       |       | (38,464)                          | (38,464)                            | (15,923)               |
| Dividend paid                                       | 27    | (251,383)                         | (251,383)                           | (269,356)              |
| <b>Net cash used in financing activities</b>        |       | <u>(303,844)</u>                  | <u>(302,896)</u>                    | <u>35,195</u>          |
| <b>Net decrease in cash and cash equivalents</b>    |       |                                   |                                     |                        |
| Cash and cash equivalents at 1 January              |       | 802,285                           | 798,037                             | 495,838                |
| Cash and cash equivalents at 30 September 2024      | 20    | <u>563,687</u>                    | <u>553,565</u>                      | <u>798,036</u>         |

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

| <b>S/n</b>                                      | <b>Page</b> | <b>S/n</b>   | <b>Page</b> |
|---|-------------|--|-------------|
| 1 Reporting entity                              | 11          | 18 Deposit for imports   | 42          |
| 2 Basis of preparation                          | 11          | 19 Prepayments and advances  | 42          |
| 3 Changes in Significant Accounting Policies    | 12          | 20 Cash and cash equivalents   | 43          |
| 4 Significant accounting policies               | 13          | 21 Other financial assets  | 43          |
| 5 Revenue                                       | 30          | 22 Capital and reserves  | 43          |
| 6 Other income                                  | 30          | 23 Trade and other payables  | 44          |
| 7 Finance income and finance costs              | 31          | 24 Deferred income   | 44          |
| 8 Profit before tax                             | 31          | 25 Loans and borrowings  | 45          |
| 9 Expenses                                      | 31          | 26 Dividends   | 46          |
| 10 Personnel expenses                           | 32          | 27 Dividend payable  | 46          |
| 11 Taxation                                     | 33          | 28 Related Parties   | 47          |
| 12 Basic earnings and diluted earning per share | 35          | 29 Financial instruments – Fair values and<br>financials risk management | 48          |
| 13 Property, plant and equipment                | 36          | 30 Leases  | 55          |
| 14 Intangible assets                            | 39          | 31 Provision of Non Audit Services                                       | 56          |
| 15 Investment property                          | 41          | 32 Contingencies   | 56          |
| 16 Inventories                                  | 41          | 33 Subsequent events   | 56          |
| 17 Trade and other receivables                  | 42          | 34 Operating segments  | 57          |
|   |             | 35 Condensed Statement of Financial Position                             | 59          |
|   |             | 36 Condensed Statement of Profit or Loss                                 | 60          |
|   |             | 37 Condensed Statement of Cashflow                                       | 61          |

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

**1 Reporting Entity**

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

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

**2 Basis of Preparation**

*(a) Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011. The H1 2024 Unaudited financial statements were authorised for issue by the Board of Directors on 22 October, 2024.

*(b) Basis of measurement*

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

- Non-derivative financial instruments initially measured at fair value and subsequently measured at amortised cost.
- Government grant (recognised as deferred income) measured at fair value.

- Inventories: Lower of cost and net realisable value.

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

*(c) Functional and presentation currency*

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

*(d) Use of estimates and judgment*

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

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

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

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

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

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

*(e) Measurement of fair values*

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

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

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

## Notes to the Consolidated and Seperate financial statements

As at 30 September, 2024

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

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

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

### 3 Changes in significant accounting policies

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

#### A. IFRS 16 Leases

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

##### (a) Definition of a lease

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

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

##### (b) As a Lessee

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

##### Leases classified as finance leases under IAS 17

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

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

**Leases classified as operating leases under IAS 17**

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

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

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

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

**(c) As a Lessor**

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

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

**B. IFRIC 23 Uncertainty over Income Tax treatments**

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

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

**4 Significant Accounting Policies**

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

|   |    |  |    |
|---|----|--|----|
| A. Foreign currency transactions                | 12 | O Taxation   | 20 |
| B. Financial instruments                        | 12 | P. Earnings per share                                | 22 |
| C. Capital and other reserves                   | 14 | Q Leases   | 22 |
| D. Property, plant and equipment                | 15 | R. Statement of cashflows                            | 24 |
| E. Intangible assets                            | 16 | S. Operating segment                                 | 24 |
| F. Investment property                          | 16 | T. Dividends   | 24 |
| G. Impairment                                   | 17 | U. Prepayments and advances                          | 24 |
| H. Contingent liabilities and contingent assets | 18 | V. Deposit for imports                               | 24 |
| I. Provisions                                   | 19 | W. Investment in subsidiary                          | 24 |
| J. Employee benefits                            | 19 | X. Related parties                                   | 25 |
| K. Inventories                                  | 19 | Y. New standards and interpretations not yet adopted | 25 |
| L. Revenue by nature                            | 20 | Z. New currently effective requirement               | 25 |
| M. Finance income and finance costs             | 20 |  |    |
| N. Government grants                            | 20 |  |    |

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

**A. Foreign currency transactions**

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

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

**B. Financial instruments**

**i. Recognition and initial measurement**

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

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

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

**ii. Classification and subsequent measurement**

**Financial assets**

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

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

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

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

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

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

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

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

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

***Business model assessment:***

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

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

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

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

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

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

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

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

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

**Financial assets- Subsequent measurement and gains and losses**

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

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

**Financial liabilities- Classification, subsequent measurement and gains and losses**

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

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

**(iv) Derecognition and offsetting**

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

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

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

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

**C. Capital and other reserves**

**i. Share capital**

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

**ii. Share premium**

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

**iii. Retained earnings**

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

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

iv. Fair value reserve

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

**D. Property, plant and equipment**

i. **Recognition and measurement**

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

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

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

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

ii. **Subsequent cost**

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

iii. **Derecognition**

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

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

iv. **Depreciation**

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

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

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

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

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

The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

**E. Intangible assets**

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

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

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

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

**Internally generated intangible assets**

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

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

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

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

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

**F. Investment property**

**i. Recognition and measurement**

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

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

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

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

ii. **Subsequent expenditure**

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

iii. **Depreciation**

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

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

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

- Buildings – 20 years
- Leasehold land – Unlimited

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

iv. **Transfers**

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

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

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

**G. Impairment**

**Non-derivative financial assets**

i. **Financial instrument**

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

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

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

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

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

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

## Notes to the Consolidated and Seperate financial statements

As at 30 September, 2024

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

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

### ii Measurement of ECLs

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

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

### iii Credit-impaired financial assets

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

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

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

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

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

### v Write off

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

## H. Contingent liabilities and contingent assets

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

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

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

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

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

## Notes to the Consolidated and Seperate financial statements

As at 30 September, 2024

### I. Provisions

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

### J. Employee benefits

#### i. Defined contribution plan

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

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

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

#### ii. Short-term employee benefits

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

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

#### iii. Termination benefits

Termination benefits are recognized as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

### K. Inventories

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

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

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

Goods in transit – Purchase cost incurred to date

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

**Notes to the Consolidated and Seperate financial statements**  
*As at 30 September, 2024*

**L. Revenue by nature**

**(i) Revenue from contract with customers**

**a Sale of paints and allied products**

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

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

**b Contract services - supply and apply services contract**

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

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

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

**(ii) Investment property rental income**

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

**M. Finance income and finance costs**

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

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

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

**N. Government grant**

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

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

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

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

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

**O. Taxation**

**Income tax**

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

**(a) Current tax**

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

**(b) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unutilised tax losses, unutilised tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

- (a) has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

## Notes to the Consolidated and Seperate financial statements

As at 30 September, 2024

### (c) Minimum tax expense

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

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

### P. Earnings per share

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

### Q. Leases

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

*Policy applicable from 1 January 2019*

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

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

#### i. As a lessee

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

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

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

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

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

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

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

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

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

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

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

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

**ii. As a lessor**

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

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

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

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

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

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

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

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

*Policy applicable before 1 January 2019*

**i. Determining whether an arrangement contains a lease**

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

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

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

**ii. Leased assets**

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

**iii. Lease payments**

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

**R. Statement of cashflows**

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

**S. Operating Segment**

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

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

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

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

**T. Dividends**

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

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

**U. Prepayments and advances**

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

**V. Deposit for imports**

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

**W. Investment in subsidiary**

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

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

**X. Related parties**

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

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

**Y. New standards and interpretations not yet adopted**

**Standards issued but not yet effective**

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

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

**Z. Standards, Interpretations effective from 1 January 2019**

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

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

**Notes to the Consolidated and Seperate financial statements**  
*As at 30 September, 2024*

**5 Revenue**

**(a) Revenue stream for the period comprises:**

| <i>In thousands of naira</i>                           | <b>Recognition<br/>policy</b> | <b>GROUP<br/>9 Mths to 30<br/>Sep 2024</b> | <b>COMPANY<br/>9 Mths to 30<br/>Sep 2024</b> | <b>COMPANY<br/>9 Mths to 30<br/>Sep 2023</b> |
|--|-------------------------------|--|--|--|
| <b>(i) Revenue from contract with customers</b>        |                               |  |  |  |
| - Sale of paints and allied products*                  | At a point in time            | 7,546,326                                  | 7,472,246                                    | 5,294,471                                    |
| - Contract services                                    | Over time                     | 30,257                                     | 30,257                                       | 122,157                                      |
| <b>(ii) Revenue from leases of investment property</b> |                               |  |  |  |
|  |                               | -  | -  | 152  |
|  |                               | <b>7,576,583</b>                           | <b>7,502,503</b>                             | <b>5,416,780</b>                             |

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

| <i>In thousands of naira</i>     | <b>GROUP<br/>9 Mths to 30<br/>Sep 2024</b> | <b>COMPANY<br/>9 Mths to 30<br/>Sep 2024</b> | <b>COMPANY<br/>9 Mths to 30<br/>Sep 2023</b> |
|----------------------------------|--|--|--|
| Revenue (net of value added tax) | 9,261,488                                  | 9,186,730                                    | 6,435,310                                    |
| Discounts and rebates            | (1,715,162)                                | (1,714,484)                                  | (1,139,330)                                  |
|                                  | <b>7,546,326</b>                           | <b>7,472,246</b>                             | <b>5,295,980</b>                             |

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

**(b) Contract balances**

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

| <i>In thousands of naira</i>   | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2023</b> |
|--|----------------------------------|----------------------------------|----------------------------------|
| Billed receivables in respect of sales of paints and allied products | (42,736)                         | (60,981)                         | 6,125                            |
| Unbilled receivables in respect of contract services                 | 83,688                           | 83,688                           | 83,688                           |
| Trade receivables (Note 18(a))                                       | 40,952                           | 22,707                           | 89,813                           |

**6 Other income**

Other income comprises:

| <i>In thousands of naira</i>                          | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2023</b> |
|---|----------------------------------|----------------------------------|----------------------------------|
| Sale of Scrap   | 23,333                           | 23,333                           | 15,047                           |
| Income on property leases*                            | 6,030                            | 6,030                            | 20,437                           |
| Profit from disposal of property, plant and equipment | 6,000                            | 6,000                            | 18,524                           |
| Insurance claims received                             | 15                               | 15                               | 62                               |
| Income from new BBPs and other income                 | 23,975                           | 23,975                           | 7,000                            |
|   | <b>59,353</b>                    | <b>59,353</b>                    | <b>61,070</b>                    |

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

**Notes to the Consolidated and Seperate financial statements**  
*As at 30 September, 2024*

**7 Finance income and finance cost**

Recognised in profit or loss:

|  | <b>GROUP</b>                     | <b>COMPANY</b>                   | <b>COMPANY</b>                   |
|--|----------------------------------|----------------------------------|----------------------------------|
|  | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2023</b> |
| <i>In thousands of naira</i>   |                                  |                                  |                                  |
| Interest income on bank deposits                                       | 0                                | 0                                | (1)                              |
| Interest income on other financial assets                              | 7,514                            | 7,514                            | 4,220                            |
| Foreign currency gain  | 2,380                            | 2,380                            |                                  |
| Net gain on financial liabilities measured at amortised costs          | -                                | -                                | -                                |
| <b>Total finance income</b>  | <b>9,894</b>                     | <b>9,894</b>                     | <b>4,219</b>                     |
| Interest expense on borrowings   | (38,464)                         | (38,464)                         | (2,676)                          |
| Foreign currency loss  | -                                | -                                | -                                |
| Interest expense on lease liabilities                                  | -                                | -                                | -                                |
| Interest expense on financial liabilities measured at amortised costs. | -                                | -                                | 0                                |
| <b>Total finance cost</b>  | <b>(38,464)</b>                  | <b>(38,464)</b>                  | <b>(2,676)</b>                   |
| <b>Net finance income recognised in profit or loss</b>                 | <b>(28,570)</b>                  | <b>(28,570)</b>                  | <b>1,543</b>                     |

**8 Profit before income tax**

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

|   | Note  | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2023</b> |
|---|-------|----------------------------------|----------------------------------|----------------------------------|
|   |       | <i>In thousands of naira</i>     |                                  |                                  |
| Directors' emoluments                               | 9(a)  | 137,470                          | 137,470                          | 62,385                           |
| Depreciation  | 9(b)  | 177,047                          | 174,958                          | 118,617                          |
| Amortisation  | 14    | 8,238                            | 8,238                            | 8,159                            |
| Personnel expenses                                  | 10(a) | 800,214                          | 800,214                          | 625,265                          |
| Auditors' remuneration                              | 9(a)  | 40,191                           | 37,941                           | 18,780                           |
| Impairment loss on trade receivables                | 18(b) | 0                                | 0                                | 11,579                           |
| Minimum tax   | 12    | -                                | -                                | -                                |
| Profit on disposal of property, plant and equipment | 6     | (6,000)                          | (6,000)                          | 18,524                           |

**9 (a) Expenses**

(i) Analysis of expenses by nature

|  | Note  | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2023</b> |
|--|-------|----------------------------------|----------------------------------|----------------------------------|
|  |       | <i>In thousands of naira</i>     |                                  |                                  |
| Directors emoluments                               | 10(d) | 137,470                          | 137,470                          | 61,385                           |
| Personnel expenses                                 | 10(a) | 800,214                          | 800,214                          | 625,265                          |
| Training expenses                                  |       | 10,191                           | 10,191                           | 444                              |
| Repairs and maintenance                            |       | 146,247                          | 146,247                          | 85,728                           |
| Office and corporate expenses                      |       | 197,764                          | 180,964                          | 85,655                           |
| License and permits                                |       | 27,133                           | 27,133                           | 27,530                           |
| Utilities  |       | 152,840                          | 152,840                          | 114,271                          |
| Insurance  |       | 61,559                           | 61,559                           | 39,640                           |
| Travel, transport and accommodation                |       | 183,641                          | 183,641                          | 96,236                           |
| Rent, rate and levies                              |       | 8,120                            | 8,120                            | 1,098                            |
| Subscriptions and donations                        |       | 3,691                            | 3,691                            | 11,610                           |
| Donations  |       | -                                | -                                | 0                                |
| Depreciation                                       | 9(b)  | 177,047                          | 174,958                          | 118,617                          |
| Amortisation                                       | 14    | 8,237                            | 8,237                            | 8,158                            |
| Printing and stationery                            |       | 4,600                            | 4,600                            | 5,339                            |
| Legal and professional services fees               |       | 167,966                          | 167,966                          | 53,957                           |
| Items of property, plant and equipment written off |       | 0                                | -                                | 0                                |
| Bank charges                                       |       | 9,158                            | 9,158                            | 12,586                           |
| Advertisement and publicity expenses               |       | 124,227                          | 124,173                          | 63,615                           |
| Distribution expenses                              |       | 325,390                          | 325,390                          | 180,349                          |
| Raw materials and consumables                      |       | 4,660,551                        | 4,611,098                        | 3,131,249                        |
| Contract services expenses                         |       | 23,261                           | 23,261                           | 151,868                          |
| <b>Total</b>                                       |       | <b>7,267,246</b>                 | <b>7,198,851</b>                 | <b>4,893,381</b>                 |

**Notes to the Consolidated and Seperate financial statements**  
*As at 30 September, 2024*

| <i>In thousands of naira</i>      | Note | 9 Mths to 30<br>Sep 2024 | 9 Mths to 30<br>Sep 2024 | 9 Mths to 30<br>Sep 2023 |
|-----------------------------------|------|--------------------------|--------------------------|--------------------------|
| <i>Summarised as follows:</i>     |      |                          |                          |                          |
| (ii) Cost of sales                |      | 5,181,225                | 5,131,772                | 3,600,355                |
| Selling and distribution expenses |      | 447,187                  | 447,133                  | 241,534                  |
| Administrative expenses           |      | 1,638,834                | 1,619,146                | 1,052,492                |
| <b>Total cost</b>                 |      | <b>7,267,246</b>         | <b>7,198,051</b>         | <b>4,894,381</b>         |

**(b) Depreciation**

| <i>In thousands of naira</i>                          | Note | 9 Mths to 30<br>Sep 2024 | 9 Mths to 30<br>Sep 2024 | 9 Mths to 30<br>Sep 2023 |
|---|------|--------------------------|--------------------------|--------------------------|
| <i>Depreciation charged for the period comprises:</i> |      |                          |                          |                          |
| Depreciation of property, plant and equipment         | 13   | 161,778                  | 159,689                  | 103,348                  |
| Depreciation of investment property                   | 15   | 15,269                   | 15,269                   | 15,269                   |
| <b>Total depreciation</b>                             |      | <b>177,047</b>           | <b>174,958</b>           | <b>118,617</b>           |

**10 Personnel expenses**

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

| <i>In thousands of naira</i>                            | 9 Mths to 30<br>Sep 2024 | 9 Mths to 30<br>Sep 2024 | 9 Mths to 30<br>Sep 2023 |
|---|--------------------------|--------------------------|--------------------------|
| Salaries, wages and allowances                          | 745,721                  | 745,721                  | 587,688                  |
| Employer contribution to compulsory pension fund scheme | 54,493                   | 54,493                   | 37,577                   |
|   | <b>800,214</b>           | <b>800,214</b>           | <b>625,265</b>           |

(b) Number of employees of the Company at period end, whose duties were wholly or mainly discharged in Nigeria, received ann (excluding pension contributions and certain benefits) in the following ranges:

| N         | N     | 9 Mths to 30<br>Sep 2024 | 9 Mths to 30<br>Sep 2024 | 9 Mths to 30<br>Sep 2023 |
|-----------|-------|--------------------------|--------------------------|--------------------------|
|           |       | Number                   | Number                   | Number                   |
| 1         | -     | -                        | -                        | -                        |
| 500,001   | -     | 2                        | 2                        | -                        |
| 1,000,001 | -     | 1                        | 1                        | 11                       |
| 1,500,001 | -     | 12                       | 12                       | 21                       |
| 2,000,001 | -     | 40                       | 40                       | 48                       |
| 3,000,001 | and   | 82                       | 82                       | 50                       |
|           | above | <b>137</b>               | <b>137</b>               | <b>130</b>               |

(c) The number of persons employed as at period end are:

|                                 | 9 Mths to 30<br>Sep 2024 | 9 Mths to 30<br>Sep 2024 | 9 Mths to 30<br>Sep 2023 |
|---------------------------------|--------------------------|--------------------------|--------------------------|
|                                 |                          | Number                   | Number                   |
| Production                      | 20                       | 20                       | 20                       |
| Sales and marketing             | 39                       | 39                       | 44                       |
| Finance                         | 8                        | 8                        | 9                        |
| Human Resource                  | 4                        | 4                        | 12                       |
| Maintenance                     | 6                        | 6                        | 6                        |
| Admin/Corporate                 | 20                       | 20                       | 6                        |
| Logistics & Supply Chain        | 18                       | 18                       | 4                        |
| Internal Control                | 4                        | 4                        | 15                       |
| Information Technology (IT)/CSR | 2                        | 2                        | 2                        |
| Technical & Quality Assurance   | 12                       | 12                       | 5                        |
| Risk Management                 | 4                        | 4                        | 7                        |
|                                 | <b>137</b>               | <b>137</b>               | <b>130</b>               |

**Notes to the Consolidated and Seperate financial statements**  
*As at 30 September, 2024*

(d) Remuneration (excluding pension contributions and certain benefits) paid to directors of the Company and charged to the profit or loss are as follows:

|                                      | <b>GROUP</b>                     | <b>COMPANY</b>                   | <b>COMPANY</b>                   |
|--------------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                                      | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2023</b> |
| <i>In thousands of naira</i>         |                                  |                                  |                                  |
| Fees paid to non-executive directors | 91,220                           | 91,220                           | 27,034                           |
| Salaries                             | 46,250                           | 46,250                           | 35,351                           |
|                                      | <u>137,470</u>                   | <u>137,470</u>                   | <u>62,385</u>                    |

The directors' remuneration shown above includes:

|                              | <b>GROUP</b>                     | <b>COMPANY</b>                   | <b>COMPANY</b>                   |
|------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                              | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2023</b> |
| <i>In thousands of naira</i> |                                  |                                  |                                  |
| Chairman                     | 5,775                            | 5,775                            | 5,625                            |
| Highest paid director        | 46,250                           | 46,250                           | 35,351                           |

Other directors received emoluments in the following ranges:

|             | <b>GROUP</b>                     | <b>COMPANY</b>                   | <b>COMPANY</b>                   |
|-------------|----------------------------------|----------------------------------|----------------------------------|
|             | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2023</b> |
| N           |                                  | Number                           | Number                           |
| 250,001 -   | -                                | -                                | -                                |
| 1,000,001 - | -                                | -                                | -                                |
| 3,000,001 - | 4                                | 4                                | 5                                |
| 5,000,001 - | 1                                | 1                                | -                                |
|             | <u>5</u>                         | <u>5</u>                         | <u>5</u>                         |

**11 Taxation**

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

|  | <b>GROUP</b>                     | <b>COMPANY</b>                   | <b>COMPANY</b>                   |
|--|----------------------------------|----------------------------------|----------------------------------|
|  | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2023</b> |
| <i>In thousands of naira</i>                                   |                                  |                                  |                                  |
| Current tax expense:   |                                  |                                  |                                  |
| Company income tax   | 102,134                          | 100,571                          | 175,504                          |
| Tertiary education tax   | 6,705                            | 6,705                            | 11,700                           |
|  | 108,838                          | 107,275                          | 187,204                          |
| Back duty assessment for 2015 YOA                              | 0                                | -                                | 0                                |
| WHT credit impairment  | 0                                | -                                | 0                                |
| WHT credit recovered   | 0                                | 0                                | 0                                |
| (Credit)/charge for the year                                   | 108,838                          | 107,275                          | 187,204                          |
| Deferred tax expense/(credit):                                 |                                  |                                  |                                  |
| Origination and reversal of temporary differences (Note 11(e)) |                                  | -                                | -                                |
| <b>Income tax expense</b>                                      | <u><b>108,838</b></u>            | <u><b>107,275</b></u>            | <u><b>187,204</b></u>            |

| (b) Reconciliation of effective tax rate: |   | GROUP                    |                          | COMPANY                  |                          |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|
|   |   | 9 Mths to 30<br>Sep 2024 | 9 Mths to 30<br>Sep 2024 | 9 Mths to 30<br>Sep 2023 | 9 Mths to 30<br>Sep 2023 |
|   | <i>In thousands of naira</i>                |                          |                          |                          |                          |
|   | %   |                          |                          | %                        |                          |
|   | Profit for the period                       | 231,283                  | 227,960                  |                          | 299,010                  |
|   | Taxation                                    | 108,838                  | 107,275                  |                          | 140,711                  |
|   | <b>Profit before taxation</b>               | <b>340,121</b>           | <b>335,235</b>           |                          | <b>439,721</b>           |
|   | Income tax using the Company's domestic rat | 30                       | 102,036                  | 30                       | 131,916                  |
|   | Tertiary education tax @ 2%                 | 2                        | 6,802                    | 2                        | 8,794                    |
|   | - Other tax differences                     | -                        | -                        | 0                        | 0                        |
|   | - Effect of capital gains tax               | -                        | -                        | -                        | 0                        |
|   | <b>Tax expense</b>                          | <b>32</b>                | <b>108,839</b>           | <b>32</b>                | <b>140,710</b>           |

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

i. **Current tax liabilities**

| <i>In thousands of naira</i>        | 9 Mths to 30<br>Sep 2024 | 9 Mths to 30<br>Sep 2024 | 9 Mths to 30<br>Sep 2023 |
|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Balance as at 1 January             | 184,330                  | 184,330                  | 14,759                   |
| Current period charge               | 108,839                  | 107,275                  | 187,204                  |
| Minimum tax charge                  | -                        | -                        | 0                        |
| Cash payments                       | (80,394)                 | (80,394)                 | 0                        |
| WHT credit notes utilised           | (53,523)                 | (53,523)                 | 37,987                   |
| <b>Balance as at period end (A)</b> | <b>159,829</b>           | <b>157,688</b>           | <b>239,950</b>           |

ii. **WHT credit notes**

|   |                |                |                  |
|---|----------------|----------------|------------------|
| Balance as at 1 January                                     | -              | -              | 42,050           |
| Net WHT credit recovered                                    | -              | -              | -                |
| Additions   | 87,659         | 87,659         | 35,739           |
| Transfer from prepayment and advances (Note 20)             | -              | -              | -                |
| WHT credit notes utilised                                   | (53,523)       | (53,523)       | 37,987           |
| <b>Balance as at period end (B)</b>                         | <b>34,136</b>  | <b>34,136</b>  | <b>115,776</b>   |
| <b>Total current tax liabilities as at period end (A+B)</b> | <b>125,693</b> | <b>123,552</b> | <b>(124,174)</b> |

**Notes to the Consolidated and Separate financial statements**  
*As at 30 September, 2024*

- (e) Movement in deferred taxation  
*In thousands of naira*

|   | Tax<br>Impact of        |                                    |                                    |                |                           | Deferred<br>tax<br>liabilities |
|---|-------------------------|------------------------------------|------------------------------------|----------------|---------------------------|--------------------------------|
|   | Balance at<br>1 January | IFRS 9<br>transition<br>Adjustment | Recognised<br>in profit<br>or loss | Net            | Deferred<br>tax<br>assets |                                |
| <b>GROUP</b>                              |                         |                                    |                                    |                |                           |                                |
| 30 September 2024                         |                         |                                    |                                    |                |                           |                                |
| Property, plant and equipment             | 528,587                 | -                                  | 73,393                             | 601,980        | -                         | 601,980                        |
| Allowance on trade receivable             | (59,822)                | -                                  | 25,856                             | (33,966)       | (33,966)                  | -                              |
| Right of use assets                       | -                       | -                                  | -                                  | -              | -                         | -                              |
| Provision for gratuity discontinued       | (713)                   | -                                  | -                                  | (713)          | (713)                     | -                              |
| Provision for slow moving inventories     | (11,969)                | -                                  | 4,881                              | (7,088)        | (7,088)                   | -                              |
| Unrealised exchange losses/(gain)         | (201)                   | -                                  | (26,264)                           | (26,465)       | (26,465)                  | -                              |
| Available-for-sale financial assets - net | -                       | -                                  | -                                  | -              | -                         | -                              |
| Net tax (assets)/ liabilities             | 455,882                 | -                                  | 77,866                             | 533,748        | (68,232)                  | 601,980                        |
| <b>COMPANY</b>                            |                         |                                    |                                    |                |                           |                                |
| 30 September 2024                         |                         |                                    |                                    |                |                           |                                |
| Property, plant and equipment             | 528,587                 | -                                  | 73,393                             | 601,980        | -                         | 601,980                        |
| Allowance on trade receivable             | (59,822)                | -                                  | 25,856                             | (33,966)       | (33,966)                  | -                              |
| Right of use assets                       | -                       | -                                  | -                                  | -              | -                         | -                              |
| Provision for gratuity discontinued       | (713)                   | -                                  | -                                  | (713)          | (713)                     | -                              |
| Provision for slow moving inventories     | (11,969)                | -                                  | 4,881                              | (7,088)        | (7,088)                   | -                              |
| Unrealised exchange losses/(gain)         | (201)                   | -                                  | (26,264)                           | (26,465)       | (26,465)                  | -                              |
| <b>Net tax (assets)/ liabilities</b>      | <b>455,882</b>          | <b>-</b>                           | <b>77,866</b>                      | <b>533,748</b> | <b>(68,232)</b>           | <b>601,980</b>                 |
| <b>COMPANY</b>                            |                         |                                    |                                    |                |                           |                                |
| 31 December 2023                          |                         |                                    |                                    |                |                           |                                |
| Property, plant and equipment             | 528,587                 | -                                  | 73,393                             | 601,980        | -                         | 601,980                        |
| Allowance on trade receivable             | (59,822)                | -                                  | 25,856                             | (33,966)       | (33,966)                  | -                              |
| Right of use assets                       | -                       | -                                  | -                                  | -              | -                         | -                              |
| Provision for gratuity discontinued       | (713)                   | -                                  | -                                  | (713)          | (713)                     | -                              |
| Provision for slow moving inventories     | (11,969)                | -                                  | 4,881                              | (7,088)        | (7,088)                   | -                              |
| Unrealised exchange losses/(gain)         | (201)                   | -                                  | (26,264)                           | (26,465)       | (26,465)                  | 0                              |
| <b>Net tax (assets)/ liabilities</b>      | <b>455,882</b>          | <b>-</b>                           | <b>77,866</b>                      | <b>533,748</b> | <b>(68,232)</b>           | <b>601,980</b>                 |

**12 Basic and diluted earnings per share**

Basic earnings per share of 79kobo (30 September 2023: 137 kobo) is based on the profit for the period of ₦227.96 million (30 September 2023: ₦397.8 million) and on 289,823,447 (2023: 289,823,447) ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue during the period.

Basic earnings per share is the same as diluted earnings per share.

**Notes to the Consolidated and Seperate financial statements  
As at 30 September, 2024**

**13 Property Plant and equipment  
GROUP**

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

|                                      | Note | Leasehold<br>Land<br>N'000 | Buildings<br>N'000 | Plants and<br>Machinery<br>N'000 | Furniture<br>and fittings<br>N'000 | Motor<br>Vehicles<br>N'000 | Computer<br>Equipment<br>N'000 | Motor<br>Vehicles<br>under Lease<br>N'000 | Capital work-<br>in progress<br>N'000 | TOTAL<br>N'000   |
|--------------------------------------|------|----------------------------|--------------------|----------------------------------|------------------------------------|----------------------------|--------------------------------|---|---------------------------------------|------------------|
| <b>Cost</b>                          |      |                            |                    |                                  |                                    |                            |                                |   |                                       |                  |
| Balance at 1 January 2023            |      | 390,000                    | 1,313,360          | 1,560,286                        | 69,255                             | 165,381                    | 172,591                        | 182,350                                   | -                                     | 3,853,223        |
| Additions                            |      | -                          | -                  | 93,178                           | 37,561                             | 8,025                      | 15,891                         | -   | 134,153                               | 288,808          |
| Transfer                             |      | -                          | -                  | -                                | -                                  | -                          | -                              | -   | -                                     | -                |
| Reclasification to intangible assets |      | -                          | -                  | -                                | -                                  | -                          | -                              | -   | -                                     | -                |
| Disposals/write-off                  |      | -                          | -                  | (23,879)                         | (4,140)                            | (27,454)                   | (6,532)                        | -   | -                                     | (62,005)         |
| Balance at 31 December 2023          |      | 390,000                    | 1,313,360          | 1,629,585                        | 102,676                            | 145,952                    | 181,950                        | 182,350                                   | 134,153                               | 4,080,026        |
| Balance at 1 January 2024            |      | 390,000                    | 1,313,360          | 1,629,585                        | 102,676                            | 145,952                    | 181,950                        | 182,350                                   | 134,153                               | 4,080,026        |
| Additions                            |      | -                          | 131,385            | 70,691                           | 91,235                             | 5,943                      | 38,909                         | 55  | (134,153)                             | 204,065          |
| Swift Painting                       |      | -                          | -                  | -                                | -                                  | -                          | -                              | -   | -                                     | -                |
| Transfer                             |      | -                          | -                  | -                                | -                                  | -                          | -                              | -   | -                                     | -                |
| Reclasification to intangible assets |      | -                          | -                  | -                                | -                                  | -                          | -                              | -   | -                                     | -                |
| Disposals                            |      | -                          | -                  | -                                | -                                  | -                          | -                              | -   | -                                     | -                |
| Balance at 30 September 2024         |      | 390,000                    | 1,444,745          | 1,700,276                        | 193,911                            | 151,895                    | 220,859                        | 182,405                                   | (0)                                   | 4,284,091        |
| <b>Accumulated depreciation</b>      |      |                            |                    |                                  |                                    |                            |                                |   |                                       |                  |
| Balance at 1 January 2023            |      | 78,081                     | 432,392            | 432,428                          | 55,924                             | 142,056                    | 129,278                        | 131,699                                   | -                                     | 1,401,858        |
| Charge for the year                  | 9(b) | -                          | 66,743             | 71,879                           | 9,623                              | 8,906                      | 16,231                         | 32,304                                    | -                                     | 205,686          |
| Disposals                            |      | -                          | -                  | (22,893)                         | (4,129)                            | (26,617)                   | (6,532)                        | -   | -                                     | (60,171)         |
| Balance at 31 December 2023          |      | 78,081                     | 499,135            | 481,414                          | 61,418                             | 124,345                    | 138,977                        | 164,003                                   | -                                     | 1,547,373        |
| Balance at 1 January 2024            |      | 78,081                     | 499,135            | 481,414                          | 61,418                             | 124,345                    | 138,977                        | 164,003                                   | -                                     | 1,547,373        |
| Charge for the period                | 9(b) | -                          | 53,445             | 56,850                           | 17,905                             | 16,533                     | 17,042                         | -   | -                                     | 161,775          |
| Disposals                            |      | -                          | -                  | -                                | -                                  | -                          | -                              | -   | -                                     | -                |
| Balance at 30 September, 2024        |      | 78,081                     | 552,580            | 538,264                          | 79,323                             | 140,878                    | 156,019                        | 164,003                                   | -                                     | 1,709,148        |
| <b>Carrying amounts</b>              |      |                            |                    |                                  |                                    |                            |                                |   |                                       |                  |
| At 30th September 2024               |      | 311,919                    | 892,165            | 1,162,012                        | 114,588                            | 11,017                     | 64,840                         | 18,402                                    | (0)                                   | <b>2,574,937</b> |
| At 31 December 2023                  |      | 311,919                    | 814,225            | 1,148,171                        | 41,258                             | 21,607                     | 42,973                         | -   | 134,153                               | <b>2,514,306</b> |

**Notes to the Consolidated and Seperate financial statements**  
**As at 30 September, 2024**

**COMPANY**

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

| <i>Note</i>                           | <b>Leasehold<br/>Land<br/>N'000</b> | <b>Buildings<br/>N'000</b> | <b>Plants and<br/>Machinery<br/>N'000</b> | <b>Furniture<br/>and<br/>fittings<br/>N'000</b> | <b>Motor<br/>Vehicles<br/>N'000</b> | <b>Computer<br/>Equipment<br/>N'000</b> | <b>Motor<br/>Vehicles<br/>under Lease<br/>N'000</b> | <b>Capital work-<br/>in progress<br/>N'000</b> | <b>TOTAL<br/>N'000</b> |
|---------------------------------------|-------------------------------------|----------------------------|---|---|-------------------------------------|---|---|--|------------------------|
| <b>Cost</b>                           |                                     |                            |   |   |                                     |   |   |  |                        |
| Balance at 1 January 2023             | 390,000                             | 1,313,360                  | 1,560,286                                 | 69,255  | 165,381                             | 172,592                                 | 182,350   | -  | 3,853,224              |
| Additions                             | -                                   | 0                          | 93,178                                    | 37,561  | 3,700                               | 15,496                                  | -   | 134,153.00                                     | 284,088                |
| Transfer                              | -                                   | -                          | (15,045.00)                               | -   | (3,700.00)                          | (489.00)                                | -   | -  | (19,234)               |
| Reclassification to intangible assets | -                                   | -                          | -   | -   | -                                   | -                                       | -   | -  | -                      |
| Disposals/write-off                   | -                                   | -                          | (23,879)                                  | (4,140)   | (27,454)                            | (6,532)                                 | -   | -  | (62,005)               |
| Balance at 31 December 2023           | <u>390,000</u>                      | <u>1,313,360</u>           | <u>1,614,540</u>                          | <u>102,676</u>                                  | <u>137,927</u>                      | <u>181,067</u>                          | <u>182,350</u>                                      | <u>134,153.00</u>                              | <u>4,056,073</u>       |
| Balance at 1 January 2024             | 390,000                             | 1,313,360                  | 1,614,540                                 | 102,676   | 137,927                             | 181,067                                 | 182,350   | 134,153.00                                     | 4,056,073              |
| Additions                             | -                                   | 131,385.00                 | 70,691                                    | 91,235  | 5,943                               | 38,909                                  | 55  | (134,153)                                      | 204,065                |
| Transfer                              | -                                   | -                          | -   | -   | -                                   | -                                       | -   | -  | -                      |
| Reclassification to intangible assets | -                                   | -                          | -   | -   | -                                   | -                                       | -   | -  | -                      |
| Disposals                             | -                                   | -                          | -   | -   | -                                   | -                                       | -   | -  | -                      |
| Balance at 30 september, 2024         | <u>390,000</u>                      | <u>1,444,745</u>           | <u>1,685,231</u>                          | <u>193,911</u>                                  | <u>143,870</u>                      | <u>219,976</u>                          | <u>182,405</u>                                      | <u>(0)</u>                                     | <u>4,260,138</u>       |
| <b>Accumulated depreciation</b>       |                                     |                            |   |   |                                     |   |   |  |                        |
| Balance at 1 January 2023             | 78,081                              | 432,392                    | 432,428                                   | 55,924  | 142,056                             | 129,278                                 | 131,699   | -  | 1,401,858              |
| Charge for the year                   | -                                   | 65,668                     | 71,351                                    | 9,623   | 8,906                               | 16,140                                  | 32,304  | -  | 203,992                |
| Transfer (a)1)                        | -                                   | -                          | (7,124)                                   | 0   | (542)                               | (306)                                   | -   | -  | (7,972)                |
| Disposals                             | -                                   | -                          | (22,893.00)                               | (4,129.00)                                      | (26,617)                            | (6,532.00)                              | -   | -  | (60,171)               |
| Balance at 31 December 2023           | <u>78,081</u>                       | <u>498,060</u>             | <u>473,762</u>                            | <u>61,418</u>                                   | <u>123,803</u>                      | <u>138,580</u>                          | <u>164,003</u>                                      | <u>-</u>                                       | <u>1,537,707</u>       |
| Balance at 1 January 2024             | 78,081                              | 498,060                    | 473,762                                   | 61,418  | 123,803                             | 138,580                                 | 164,003   | -  | 1,537,710              |
| Charge for the period                 | -                                   | 53,445                     | 54,761                                    | 17,905  | 16,533                              | 17,042                                  | -   | -  | 159,689                |
| Disposals                             | -                                   | -                          | -   | -   | -                                   | -                                       | -   | -  | -                      |
| Balance at 30 september, 2024         | <u>78,081</u>                       | <u>551,505</u>             | <u>528,523</u>                            | <u>79,323</u>                                   | <u>140,336</u>                      | <u>155,622</u>                          | <u>164,009</u>                                      | <u>-</u>                                       | <u>1,697,399</u>       |
| <b>Carrying amounts</b>               |                                     |                            |   |   |                                     |   |   |  |                        |
| At 31st December 2023                 | <u>311,919</u>                      | <u>815,300</u>             | <u>1,140,778</u>                          | <u>41,258</u>                                   | <u>14,124</u>                       | <u>42,487</u>                           | <u>18,347.00</u>                                    | <u>134,153.00</u>                              | <u>2,518,366</u>       |
| At 30 September 2024                  | <u>311,919</u>                      | <u>893,240</u>             | <u>1,156,708</u>                          | <u>114,588</u>                                  | <u>3,534</u>                        | <u>64,354</u>                           | <u>18,396</u>                                       | <u>(0)</u>                                     | <u>2,562,739</u>       |

**Notes to the Consolidated and Seperate financial statements**  
*As at 30 September, 2024*

(b) **Assets pledged as security**

No asset of the Company was pledged as security for loan as at 30 September, 2024 (December 2023: Nil)

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

No impairment loss was recognised for the period (December 2023: Nil).

Capital expenditure commitments for the period ended 30 September 2024 authorised by the Board of Directors comprise:

|                              | GROUP                            | COMPANY                          | GROUP                       | COMPANY                         |
|------------------------------|----------------------------------|----------------------------------|-----------------------------|---------------------------------|
| <i>In thousands of naira</i> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>31 December<br/>2023</b> | <b>31<br/>December<br/>2023</b> |
| Approved but not contracted  | 0                                | 0                                | 271,273                     | 271,273                         |
|                              | <u>0</u>                         | <u>0</u>                         | <u>271,273</u>              | <u>271,273</u>                  |

(e) **Property, plant and equipment under construction**

Capital work in progress comprises amounts incurred with respect to Leasehold improvements and buildings and furniture and fittings as at year end.

|   | 9 Mths to 30<br>Sep 2024 | 30 Sep 2024 | 31 December<br>2023 | 31<br>December |
|---|--------------------------|-------------|---------------------|----------------|
| <i>In thousands of naira</i>                            |                          |             |                     |                |
| Closing capital work in progress is analysed as follows |                          |             |                     |                |
| Plant and machinery                                     |                          | -           | 58,540              | 58,540         |
| Buildings   |                          | -           | 75,613              | 75,613.00      |
|   |                          | <u>-</u>    | <u>134,153</u>      | <u>134,153</u> |

(f) **Right of use assets**

Right of use assets comprises leasehold land and motor vehicles under finance leases.

The leasehold land is held under lease arrangements for a minimum lease term of 99 years. The classification of the lease of land as a finance lease is on the basis that the lease transfers substantially all of the risks and rewards incidental to ownership of the land to the Company. The lease amounts were fully paid at the inception of the lease.

**Notes to the Consolidated and Seperate financial statements**  
**As at 30 September, 2024**

(g) **Additions in statement of cash flows**

| <i>In thousands of naira</i>                                  | <b>9 Mths to 30<br/>Sep 2024</b> | <b>30 Sep 2024</b> | <b>31 December<br/>2023</b> | <b>31<br/>December<br/>2023</b> |
|---|----------------------------------|--------------------|-----------------------------|---------------------------------|
| Additions (Note 13(a))  | 204,065                          | 204,065            | 284,088                     | 284,088                         |
| Additions to Right of Use assets (Motor vehicles under lease) | (55)                             | (55)               | -                           | -                               |
| Accrued additions to PPE (Note 24( c))                        | -                                | -                  | -                           | -                               |
| Borrowing cost capitalised                                    | -                                | -                  | -                           | -                               |
|   | <u>204,010</u>                   | <u>204,010</u>     | <u>284,088</u>              | <u>284,088</u>                  |

**14 Intangible assets**

*In thousands of naira*

**GROUP**

*Cost*

*Balance at 1 January 2023*

*Additions*

*Reclassification from property, plant & equipment*

*Disposals*

*Balance at 31 December 2023*

*Balance at 1 January 2024*

*Additions*

*Reclassification from property, plant & equipment*

*Balance at 30 September 2024*

*Accumulated amortisation*

*Balance at 1 January 2023*

*Charge for the year*

*Transfers*

*Disposals*

*Balance at 31 December 2023*

*Balance at 1 January 2024*

*Charge for the period*

*Balance at 30 September 2024*

*Carrying amounts*

*At 31 December 2023*

*At 30 September, 2024*

| <i>Note</i> | <b>Computer<br/>Software</b> | <b>Intangible<br/>assets under<br/>development</b> | <b>Total</b>   |
|-------------|------------------------------|--|----------------|
|             | 108,948                      | -  | 108,948        |
|             | 652                          | -  | 652            |
|             | -                            | -  | -              |
|             | <u>109,600</u>               | -  | <u>109,600</u> |
|             | 109,600                      | -  | 109,600        |
|             | 29,025                       | -  | 29,025         |
| 14(a)       | -                            | -  | -              |
|             | <u>138,625</u>               | -  | <u>138,625</u> |
|             | 81,121                       | -  | 81,121         |
| 9(a)        | 10,877                       | -  | 10,877         |
|             | -                            | -  | -              |
|             | <u>91,998</u>                | -  | <u>91,998</u>  |
|             | -                            | -  | -              |
|             | 91,998                       | -  | 91,998         |
| 9(a)        | 8,238                        | -  | 8,238          |
|             | <u>100,236</u>               | -  | <u>100,236</u> |
|             | <u>17,602</u>                | -  | <u>17,602</u>  |
|             | <u>38,389</u>                | -  | <u>38,389</u>  |

**Notes to the Consolidated and Seperate financial statements**  
**As at 30 September, 2024**

**COMPANY**

**Cost**

|   |       |                |          |                |
|---|-------|----------------|----------|----------------|
| Balance at 1 January 2023                         |       | 108,948        | -        | 108,948        |
| Additions   |       | 652.00         | -        | 652.00         |
| Reclassification from property, plant & equipment |       | -              | -        | -              |
| Balance at 31 December 2023                       |       | <u>109,600</u> | <u>-</u> | <u>109,600</u> |
| Balance at 1 January 2024                         |       | 109,600        | -        | 109,600        |
| Additions   |       | 29,025         | -        | 29,025         |
| Reclassification from property, plant & equipment | 14(a) | -              | -        | -              |
| Balance at 30 September 2024                      |       | <u>138,625</u> | <u>-</u> | <u>138,625</u> |

**Accumulated amortisation**

|                              |      |                |          |                |
|------------------------------|------|----------------|----------|----------------|
| Balance at 1 January 2023    |      | 81,121         | -        | 81,121         |
| Charge for the year          | 9(a) | <u>10,877</u>  | <u>-</u> | <u>10,877</u>  |
| Balance at 31 December 2023  |      | <u>91,998</u>  | <u>-</u> | <u>91,998</u>  |
| Balance at 1 January 2024    |      | 91,998         | -        | 91,998         |
| Charge for the period        | 9(a) | <u>8,238</u>   | <u>-</u> | <u>8,238</u>   |
| Balance at 30 September 2024 |      | <u>100,236</u> | <u>-</u> | <u>100,236</u> |

**Carrying amounts**

|                      |  |               |          |               |
|----------------------|--|---------------|----------|---------------|
| At 31 December 2023  |  | <u>17,602</u> | <u>-</u> | <u>17,602</u> |
| At 30 September 2024 |  | <u>38,389</u> | <u>-</u> | <u>38,389</u> |

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

Intangible assets amortisation charged to profit or loss for the period amounts to ₦8.2million (31 December 2023: ₦10.9.million) and is included as part of administrative expenses.

The intangible assets under development represents the cost of internally generated intangible assets in respect of product formulation development for the Company's newly commissioned automated water based paints factory.

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

| <b>15 Investment property</b>                | <b>GROUP</b>                     | <b>COMPANY</b>                   | <b>COMPANY</b>              |
|--|----------------------------------|----------------------------------|-----------------------------|
| The movement on this account was as follows: |                                  |                                  |                             |
|  | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>31 December<br/>2023</b> |
| <i>In thousands of naira</i>                 |                                  |                                  |                             |
| <b>Cost</b>                                  |                                  |                                  |                             |
| Balance at 1 January                         | 604,468                          | 604,468                          | 604,468                     |
| Balance at 30 September                      | 604,468                          | 604,468                          | 604,468                     |
| <b>Accumulated depreciation</b>              |                                  |                                  |                             |
| Balance at 1 January                         | 262,954                          | 262,954                          | 242,594                     |
| Charge for the period                        | 15,269                           | 15,269                           | 20,360                      |
| Balance at 30 September                      | 278,223                          | 278,223                          | 262,954                     |
| Carrying amounts at period ended             | 326,245                          | 326,245                          | 341,514                     |

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

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

Rental income generated from investment property recognised during the period was Nil (30 September 2023: Nil).

Direct operating expenses (included in repairs and maintenance expenses) arising from investment property that generated rental income during the period was Nil (30 September 2023: Nil)

Depreciation of ₦15.3 million (31 December 2023: ₦20.4 million) charged on investment property for the period was included in admin expenses

The fair value of the investment property as at period end is ₦2.42 billion (31 December 2023: ₦2.42 billion). The fair value was determined by an external, independent property valuer (Ubosi Eleh and Co.) with Financial Reporting Council of Nigeria (FRC) No: FRC/2015/NIESV/00000003997. The fair value measurement of investment property has been categorised as a Level 2 fair value based on the input to the valuation techniques used. The direct market comparison and depreciated replacement cost method was used in determining the fair value of the investment property.

| <b>16 Inventories</b>              | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>31 December<br/>2023</b> |
|------------------------------------|----------------------------------|----------------------------------|-----------------------------|
| <i>In thousands of naira</i>       |                                  |                                  |                             |
| Raw and packaging materials        | 1,816,918                        | 1,816,918                        | 1,276,897                   |
| Finished products                  | 732,488                          | 732,488                          | 415,731                     |
| Product-in-process                 | 10,308                           | 10,308                           | 10,172                      |
| Consumable spare parts             | 38,514                           | 38,514                           | 96,470                      |
| Goods in transit                   | 0                                | 0                                | 371,025.00                  |
|                                    | 2,598,228                        | 2,598,228                        | 2,170,295                   |
| Impairment allowance               | (16,263)                         | (16,263)                         | (22,035)                    |
| Inventory provision - Raw Material | (19,867)                         | (19,867)                         |                             |
|                                    | 2,562,098                        | 2,562,098                        | 2,148,260                   |

The value of raw and packaging materials, changes in finished products and products in process consumed during the period and recognised in cost of sales amounted to ₦4.6 billion (31 December 2023: ₦4.4 billion).

**Notes to the Consolidated and Seperate financial statements**  
 As at 30 September, 2024

**17 Trade and other receivables comprises:**

|  | <b>GROUP</b>                     | <b>COMPANY</b>                   | <b>COMPANY</b>          |
|--|----------------------------------|----------------------------------|-------------------------|
|  | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>31 December 2023</b> |
| Trade and other receivables comprises: |                                  |                                  |                         |
| (a) <i>In thousands of naira</i>       |                                  |                                  |                         |
| Trade receivables (Note 5(b))          | 40,952                           | 22,707                           | 201,877                 |
| Lease receivable                       | 83,688                           | 83,688                           | 89,804                  |
| Staff debtors                          | 3,632                            | 3,632                            | 1,760                   |
| Deposit with Company registrar         | 63,953                           | 63,953                           | 89,796                  |
| Contract assets                        | 451                              | 451                              | 1,772                   |
| Other receivables                      | 22,250                           | 22,250                           | 306                     |
| Receivable from related party          | 0                                | 34,043                           | 30,399                  |
| Total trade and other receivables      | <u>214,926</u>                   | <u>230,724</u>                   | <u>415,714</u>          |
| Impairment allowance                   | (105,679)                        | (105,679)                        | (105,679)               |
| Carrying amount as at period ended     | <u>109,247</u>                   | <u>125,045</u>                   | <u>310,032</u>          |

The Company's exposure to credit and currency risks related to trade and other receivables is disclosed in Note 29(b).

(b)

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

|                                | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>31 December 2023</b> |
|--------------------------------|----------------------------------|----------------------------------|-------------------------|
| <i>In thousands of naira</i>   |                                  |                                  |                         |
| Balance at 1 January           | 105,679                          | 105,679                          | 184,030                 |
| Net impairment loss recognised | 0                                | -                                | (44,566)                |
| Bad debt written off           |                                  |                                  | (33,785)                |
| Balance at 30 September 2024   | <u>105,679</u>                   | <u>105,679</u>                   | <u>105,679</u>          |

(c) Reconciliation of changes in trade and other receivables included in statement of cash flows is as follows:

*In thousands of naira*

|  | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>31 December 2023</b> |
|--|----------------------------------|----------------------------------|-------------------------|
| Movement in trade and other receivables                            | 184,990                          | 184,990                          | (66,684)                |
| Exchange loss<br>(Write back)/impairment loss<br>of receivables    | 2,380                            | 2,380                            | -                       |
| Changes in trade and other receivables per statement of cash flows | <u>187,370</u>                   | <u>187,370</u>                   | <u>(111,250)</u>        |

**18 Deposit for imports**

The deposit for imports represents amounts deposited with banks to fund letters of credit. These letters of credit are meant to finance the importation of raw materials. The total value of deposit for imports as at 30 September 2024 amounted to ₦0 (31 December 2023: ₦46.6 million).

**19 Prepayments and advances**

Prepayments and advances comprises:

|                                 | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>31 December 2023</b> |
|---------------------------------|----------------------------------|----------------------------------|-------------------------|
| <i>In thousands of naira</i>    |                                  |                                  |                         |
| Prepaid rent                    | -                                | -                                | -                       |
| Advance payment to suppliers    | 91,798                           | 91,798                           | 43,470                  |
| WHT receivables (Note 11( c)ii) | 67,808                           | 67,808                           | 7,041                   |
| Prepaid insurance and others    | 43,477                           | 38,887                           | 41,252                  |
| Pre- Operating Exp. Capitalized | 0                                | 0                                | -                       |
|                                 | <u>203,083</u>                   | <u>198,493</u>                   | <u>91,763</u>           |

There were no non-current prepayments and advances made at period-end (31 December 2023: Nil).

**Notes to the Consolidated and Seperate financial statements**

*As at 30 September, 2024*

(a) Reconciliation of changes in prepayments and advances included in statement of cash flows is as follows:

*In thousands of naira*

|   | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>31 December 2023</b> |
|---|----------------------------------|----------------------------------|-------------------------|
| Movement in prepayment and advances                             | (111,320)                        | (106,730)                        | (61,670)                |
| WHT credit notes previously impaired, now recovered             | -                                | -                                | -                       |
| Movement in WHT credit notes                                    | 81,640                           | 81,640                           | (26,740)                |
| Changes in prepayments and advances per statement of cash flows | <u>(29,680)</u>                  | <u>(25,090)</u>                  | <u>(88,410)</u>         |

**20 Cash and cash equivalents**

Cash and cash equivalents comprises:

*In thousands of naira*

|                                  | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>31 December 2023</b> |
|----------------------------------|----------------------------------|----------------------------------|-------------------------|
| Cash on hand                     | 110                              | 110                              | 69                      |
| Investment in short term deposit |                                  |                                  | 130,594                 |
| Balance with banks               | 563,577                          | 553,455                          | 667,374                 |
| <b>Cash and cash equivalents</b> | <b><u>563,687</u></b>            | <b><u>553,565</u></b>            | <b><u>798,037</u></b>   |

The Company's exposure to credit and market risk for financial assets is disclosed in Note 29(b).

**21 Other financial assets**

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

As at 30 September 2024, the investment is analysed as stated below:

|  | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>31 December 2023</b> |
|--|----------------------------------|----------------------------------|-------------------------|
| At 1 January                                       | 257,122                          | 257,122                          | 359,747                 |
| (Proceed from liquidation of investment)/Additions | 123,068                          | 123,068                          | (143,171)               |
| Interest income                                    | 7,514                            | 7,514                            | 40,546                  |
| At 30 September 2024                               | <b><u>387,704</u></b>            | <b><u>387,704</u></b>            | <b><u>257,122</u></b>   |

The Company's exposure to credit and market risk for financial assets is disclosed in Note 29(b).

**22 Capital and reserves**

(a) Ordinary shares as at 30 December 2023

*In thousands of naira*

|   | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>31 December 2023</b> |
|---|----------------------------------|----------------------------------|-------------------------|
| Authorised 800,000,000 ordinary shares of 50k each            | 400,000                          | 400,000                          | 400,000                 |
| Issued and fully paid 289,823,447 ordinary shares of 50k each | 144,912.00                       | 144,912                          | 144,912                 |

(b) Share premium

*In thousands of naira*

|                      | <b>9 Mths to 30<br/>Sep 2024</b> | <b>9 Mths to 30<br/>Sep 2024</b> | <b>31 December 2023</b> |
|----------------------|----------------------------------|----------------------------------|-------------------------|
| At 1 January         | 635074                           | 635,074                          | 635,074                 |
| At 30 September 2024 | 635074                           | 635,074                          | 635,074                 |

**Notes to the Consolidated and Separate financial statements**  
*As at 30 September, 2024*

**23 Trade and other payables**

(a) Trade and other payables comprises:

| <i>In thousands of naira</i>         | <u>9 Mths to 30<br/>Sep 2024</u> | <u>9 Mths to 30<br/>Sep 2024</u> | <u>31 December 2023</u> |
|--------------------------------------|----------------------------------|----------------------------------|-------------------------|
| Trade payables                       | 1,013,849                        | 1,004,732                        | 617,897                 |
| Customer deposits for paints         | 117,589                          | 117,589                          | 287,889                 |
| Value Added Tax payable              | 93,520                           | 93,520                           | 18,946                  |
| Withholding Tax payable              | 54,004                           | 54,004                           | 67,197                  |
| Related party payables (Note 28 (a)) | -                                | -                                | -                       |
| PAYE payable                         | 78,592                           | 78,592                           | 68,328                  |
| Pension payable (Note (b))           | 9,805                            | 9,805                            | 17,182                  |
| Other non-income taxes               | 17,707                           | 17,707.00                        | 9,626                   |
| Contract liabilities                 | -                                | -                                | -                       |
| Accruals                             | 343,329                          | 343,329                          | 312,573                 |
| Other payables                       | (36,594)                         | (36,594)                         | 10,148                  |
|                                      | <u>1,691,801</u>                 | <u>1,682,684</u>                 | <u>1,409,786</u>        |

The Company's exposure to liquidity risks related to trade and other payables is disclosed in Note 29(b).

(b) **Pension payable**

| <i>In thousands of naira</i> | <u>9 Mths to 30<br/>Sep 2024</u> | <u>9 Mths to 30<br/>Sep 2024</u> | <u>31 December 2023</u> |
|------------------------------|----------------------------------|----------------------------------|-------------------------|
| Balance at 1 January         | 17,182                           | 17,182                           | 7,655                   |
| Charge for the year          | 9,212                            | 9,212                            | 69,152                  |
| Remittances                  | (16,589)                         | (16,589)                         | (59,625)                |
| Balance at 30 September      | <u>9,805</u>                     | <u>9,805</u>                     | <u>17,182</u>           |

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

| <i>In thousands of naira</i>                                    | <u>9 Mths to 30<br/>Sep 2024</u> | <u>9 Mths to 30<br/>Sep 2024</u> | <u>31 December 2023</u> |
|---|----------------------------------|----------------------------------|-------------------------|
| Movement in trade and other payable                             | 281,591                          | 272,898                          | 183,312                 |
| Unrealised exchange loss  | -                                | -                                | -                       |
| Impact of accrued additions to PPE (Note 13(g))                 | -                                | -                                | -                       |
| Changes in trade and other payables per statement of cash flows | <u>281,591</u>                   | <u>272,898</u>                   | <u>183,312</u>          |

**24 Deferred income**

Deferred income comprises:

| <i>In thousands of naira</i>     | <u>9 Mths to 30<br/>Sep 2024</u> | <u>9 Mths to 30<br/>Sep 2024</u> | <u>31 December 2023</u> |
|----------------------------------|----------------------------------|----------------------------------|-------------------------|
| Government grant (note (a))      | 199,877                          | 199,877                          | 199,877                 |
| Deferred project income          | -                                | -                                | 6,303                   |
| Lease income received in advance | 11,991                           | 11,991                           | 18,026                  |
| Deferred income                  | <u>211,868</u>                   | <u>211,868</u>                   | <u>224,206</u>          |
| Non-current                      | 153,800                          | 153,800                          | 166,138                 |
| Current                          | 58,068                           | 58,068                           | 58,068                  |
|                                  | <u>211,868</u>                   | <u>211,868</u>                   | <u>224,206</u>          |

(a) Government grant arises as a result of the benefit received from below-market-interest rate government assisted loans, obtained from the Bank of Industry. In year 2023, the Group obtained bank of industry loan to augment working capital and for the procurement of plant and machinery for the company's paint manufacturing business.

**Notes to the Consolidated and Seperate financial statements**  
*As at 30 September, 2024*

**25 Loans and borrowings**

*In thousands of naira*

**30 September 2024**

|                                   | Non-current<br>liabilities | Current<br>liabilities | Total          |
|-----------------------------------|----------------------------|------------------------|----------------|
| Bank of Industry loan             | -                          | 22,403                 | 22,403         |
| Bank of Industry loan             | 309,766                    |                        | 309,766        |
| Development financing arrangement | -                          | -                      | -              |
| Lease liability (Note 13(f))      | -                          | -                      | -              |
|                                   | <u>309,766</u>             | <u>22,403</u>          | <u>332,169</u> |

**31 December 2023**

|                              | Non-current<br>liabilities | Current<br>liabilities | Total          |
|------------------------------|----------------------------|------------------------|----------------|
| Bank of Industry loan        | -                          | 345,218                | 345,218        |
| Lease liability (Note 13(f)) | -                          | -                      | -              |
|                              | <u>-</u>                   | <u>345,218</u>         | <u>345,218</u> |

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 29(b).

(a) **Terms and repayment schedule**

| <i>In thousands of naira</i>                             | Cur<br>renc<br>y | Nominal<br>interest rate | Year of<br>maturity | 30 September 2024 |                    | 31 December 2023 |                 |
|--|------------------|--------------------------|---------------------|-------------------|--------------------|------------------|-----------------|
|  |                  |                          |                     | Face Value        | Carrying<br>amount | Face Value       | Carrying amount |
| (i) Bank of Industry loan                                | NGN              | 10%                      | 2023                | -                 | 0                  |                  | -               |
| (ii) Bank of Industry loan( Plant<br>& Machinery)        | NGN              | 9%                       | 2029                | 279,746           | 179,190            | 279,746          | 179,190         |
| (iv) Bank of Industry loan (<br><i>Working capital</i> ) | NGN              | 12%                      | 2026                | 202,588           | 166,028            | 202,588          | 166,028         |
| <b>Total interest-bearing loans</b>                      |                  |                          |                     | <u>482,334.00</u> | <u>345,218</u>     | <u>482,334</u>   | <u>345,218</u>  |

i) **Bank of Industry Loan**

The loan was obtained to finance the procurement of plant and machinery for the company's paint manufacturing business. The applicable interest rate is 9% per annum. The loan is repayable over a period of 72 months (including a moratorium of 12 months between October 2023 to September 2024).

The loan was obtained to augment working capital for the procurement of raw material. The applicable interest rate is 12% per annum. The loan is repayable over a period of 36 months (including a moratorium of 12 months including October 2023 to September 2024).

ii)

**Notes to the Consolidated and Seperate financial statements**  
*As at 30 September, 2024*

(b) **Movement in loans and borrowings**

| <i>in thousands of naira</i>       | <b>30 June 2024</b> | <b>30 June 2024</b> | <b>31-Dec</b>  |
|------------------------------------|---------------------|---------------------|----------------|
| Balance, beginning of year         | 345,218             | 345,218             | 25,131         |
| Additions                          | 0                   | 0                   | 345,604        |
| Repayment of Principal             | (13,049)            | (13,049)            | (25,131)       |
| Repayment of Interest              | -                   | -                   | (15,923)       |
| Government grant                   | -                   | -                   | (12,882)       |
| Interest accrued in profit or loss | -                   | 0                   | 28,419         |
| Balance, end of the period         | <u>332,169</u>      | <u>332,169</u>      | <u>345,218</u> |

**26 Dividends**

The following dividends were declared and paid by the Company; 0

|                   | <b>9 Mths to 30</b> | <b>9 Mths to 30</b> | <b>31 December 2023</b> |
|-------------------|---------------------|---------------------|-------------------------|
|                   | <b>Per share</b>    | <b>Per share</b>    | <b>Per share</b>        |
|                   | <b>(kobo)</b>       | <b>(kobo)</b>       | <b>(kobo)</b>           |
| Declared Dividend | <u>-</u>            | <u>-</u>            | <u>70</u>               |
|                   | <u>N'000</u>        | <u>N'000</u>        | <u>N'000</u>            |
|                   | <u>-</u>            | <u>-</u>            | <u>260,841</u>          |

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

**27 Dividend payable**

The movement in dividend payable is as follows:

| <i>In thousands of naira</i> | <b>9 Mths to 30</b> | <b>9 Mths to 30</b> | <b>31 December 2023</b> |
|------------------------------|---------------------|---------------------|-------------------------|
|                              | <b>Sep 2024</b>     | <b>Sep 2024</b>     |                         |
| At 1 January                 | 382,282             | 382,282             | 390,796                 |
| Declared dividend            | 231,859             | 231,859             | 260,841                 |
| Payments                     | (251,383)           | (251,383)           | (269,356)               |
| At Period end                | <u>362,757</u>      | <u>362,757</u>      | <u>382,281</u>          |

## Notes to the Consolidated and Separate Financial Statements

### 28 Related Parties

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

#### A. Transactions with key management personnel

Key management personnel compensation comprised the following:

| <i>In thousands of naira</i> | 9 Mths to<br>30 Sep<br>2024 | 9 Mths to<br>30 Sep<br>2024 | 31<br>December<br>2023 |
|------------------------------|-----------------------------|-----------------------------|------------------------|
| Short-term benefits          | 55,774                      | 55,774                      | 117,593                |
| Post employment benefits     | -                           | -                           | 0                      |
|                              | 55,774                      | 55,774                      | 117,593                |

The aggregate value of transactions and outstanding balances related to key management personnel and other related parties were as follows.

| Related party                  | Nature of transaction     | Transaction values |              | Balance Receivable/(Payable) |              |
|--------------------------------|---------------------------|--------------------|--------------|------------------------------|--------------|
|                                |                           | 30 Sep. 2024       | 31 Dec. 2023 | 30 Sep. 2024                 | 31 Dec. 2023 |
|                                |                           | N'000              | N'000        | N'000                        | N'000        |
| Emychem Limited                | Supply of raw materials   | -                  | 0            | -                            | -            |
| Swift Painting Nigeria Limited | Supply and apply Projects | 81,863             | 6,572        | 34,043                       | 30,399       |
|                                |                           | 81,863             | 6,572        | 34,043                       | 30,399       |

The Company incorporated a subsidiary in Ghana, Lewis Berger Ghana Limited, on 23 October 2013. As at 31 December, 2023, the subsidiary remained dormant and had not commenced operations. The Company has

### 29 29.1

#### Information regarding subsidiaries

##### Subsidiaries

Details of the Group's subsidiaries at the end of the reporting year are as follows:

| Direct subsidiaries            | Principal Activity                          | Place of incorporation and operation | Proportion of ownership or voting power held by the Group |
|--------------------------------|---|--------------------------------------|---|
|                                |   |                                      | 30 June. 2023   |
| Swift Painting Nigeria Limited | Rendering of professional painting services | Nigeria                              | 100.00%   |
| Lewis Berger Ghana Limited     | Dormant                                     | Ghana                                | 100.00%   |

## Notes to the Consolidated and Separate Financial Statements

### 29.2 Investments in subsidiaries

| <i>In thousands of naira</i>   | Group<br>30 Sep.<br>2024 | Company<br>30 Sep.<br>2024 | Company<br>31 Dec.<br>2023 |
|--------------------------------|--------------------------|----------------------------|----------------------------|
| Swift Painting Nigeria Limited |                          | 20,000                     | 20,000.00                  |
| Lewis Berger Ghana Limited     | -                        | -                          | -                          |
|                                | -                        | 20,000                     | 20,000.00                  |

#### Swift Painting Nigeria Limited

Swift Painting Nigeria Limited was incorporated in 2022 as wholly owned Paints Application subsidiary of Berger Paints Nigeria Plc. The Company started operations on January 1, 2023. The Company's account has been consolidated with that of Berger Paints Nigeria Plc.

#### Lewis Berger Ghana Limited

The Company incorporated a subsidiary in Ghana, Lewis Berger Ghana Limited, on 23 October 2013. As at 31 December, 2023, the subsidiary have remained dormant and had not commenced operations. There is no financial information in the records of the subsidiary and as such, the subsidiary has not been consolidated.

### 29.3 Eliminations and Adjustments

Elimination and Adjustments relate to the following:

- a. Non-current assets of N20 million is due to the elimination of investment in subsidiaries with the parent's share of their equity.
- b. Current assets of N34,043 million is due to the elimination of current inter-company payable and receivable balances.

## Notes to the Consolidated and Separate Financial Statements

### 30 Financial instruments – Fair values and financial risk management

#### (a) Classification of financial instruments and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. As at 30 September 2024, the Group did not have financial assets and liabilities measured at fair value through other comprehensive income or fair value through profit or loss.

#### Group

30 September 2024

| <i>In thousands of naira</i>                            | Note | Amortized<br>Cost | Fair value |                  |          | Total            |
|---|------|-------------------|------------|------------------|----------|------------------|
|   |      |                   | Level 1    | Level 2          | Level 3  |                  |
| <i>Financial assets not measured at fair value</i>      |      |                   |            |                  |          |                  |
| Other financial assets                                  | 22   | 387,704           | -          | 387,704          | -        | 387,704          |
| Trade and other receivables                             | 18   | 109,247           | -          | 109,247          | -        | 109,247          |
| Cash and cash equivalents                               | 21   | 563,687           | -          | 563,687          | -        | 563,687          |
|   |      | <b>1,060,638</b>  | <b>-</b>   | <b>1,060,638</b> | <b>-</b> | <b>1,060,638</b> |
| <i>Financial liabilities not measured at fair value</i> |      |                   |            |                  |          |                  |
| Loans and borrowings                                    | 26   | 332,169           | -          | 482,334          | -        | 482,334          |
| Trade and other payables*                               | 24   | 1,691,801         | -          | 1,691,801        | -        | -                |
| Dividend payable  | 27   | 362,757           | -          | 362,757          | -        | -                |
|   |      | <b>2,386,727</b>  | <b>-</b>   | <b>2,536,892</b> | <b>-</b> | <b>482,334</b>   |

#### Company

30 September 2024

| <i>In thousands of naira</i>                            |    | Amortized<br>Cost | Fair value |                  |          | Total            |
|---|----|-------------------|------------|------------------|----------|------------------|
|   |    |                   | Level 1    | Level 2          | Level 3  |                  |
| <i>Financial assets not measured at fair value</i>      |    |                   |            |                  |          |                  |
| Other financial assets                                  | 22 | 387,704           | -          | 387,704          | -        | 387,704          |
| Trade and other receivables                             | 18 | 125,045           | -          | 125,045          | -        | 125,045          |
| Cash and cash equivalents                               | 21 | 553,565           | -          | 553,565          | -        | 553,565          |
|   |    | <b>1,066,314</b>  | <b>-</b>   | <b>1,066,314</b> | <b>-</b> | <b>1,066,314</b> |
| <i>Financial liabilities not measured at fair value</i> |    |                   |            |                  |          |                  |
| Loans and borrowings                                    | 26 | 332,169           | -          | 482,334          | -        | 482,334          |
| Trade and other payables*                               | 24 | 1,682,684         | -          | 1,682,684        | -        | 1,682,684        |
| Dividend payable  | 27 | 362,757           | -          | 362,757          | -        | 362,757          |
|   |    | <b>2,377,610</b>  | <b>-</b>   | <b>2,527,775</b> | <b>-</b> | <b>2,527,775</b> |

#### Company

31 December 2023

| <i>In thousands of naira</i>                            |    | Amortized<br>Cost | Fair value |                  |          | Total            |
|---|----|-------------------|------------|------------------|----------|------------------|
|   |    |                   | Level 1    | Level 2          | Level 3  |                  |
| <i>Financial assets not measured at fair value</i>      |    |                   |            |                  |          |                  |
| Other financial assets                                  | 22 | 257,122           | -          | 257,122          | -        | 257,122          |
| Trade and other receivables                             | 18 | 310,035           | -          | 310,035          | -        | 310,035          |
| Cash and cash equivalents                               | 21 | 798,037           | -          | 798,037          | -        | 798,037          |
|   |    | <b>1,365,194</b>  | <b>-</b>   | <b>1,365,194</b> | <b>-</b> | <b>1,365,194</b> |
| <i>Financial liabilities not measured at fair value</i> |    |                   |            |                  |          |                  |
| Loans and borrowings                                    | 26 | 345,218           | -          | 482,334          | -        | 482,334          |
| Trade and other payables*                               | 24 | 658,444           | -          | 658,444          | -        | 658,444          |
| Dividend payable  | 27 | 382,281           | -          | 382,281          | -        | 382,281          |
|   |    | <b>1,385,943</b>  | <b>-</b>   | <b>1,523,059</b> | <b>-</b> | <b>1,523,059</b> |

## Notes to the Consolidated and Separate Financial Statements

(a) **Classification of financial instruments and fair values (cont'd)**

\*Trade and other payables excludes statutory deductions such as Value Added Tax payable, Withholding Tax payable, Pay As You Earn (PAYE) payable, Pension payable and other non-income taxes payables.

The carrying amount of financial instrument such as short term trade and other receivables, other financial asset, cash and cash equivalent, trade and other payables and dividend payable are a reasonable approximation of their fair values due to their short term maturity and the consequent insignificant impact of discounting. Hence, no further fair value information has been disclosed.

- **Financial instruments in level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise treasury bills classified as available for sale.

- **Financial instruments in level 2**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- (i) quoted market prices or dealer quotes for similar instruments;
- (ii) other techniques, such as discounted cash flow analysis, sales prices of comparable properties in close proximity, are used to determine fair value for the remaining financial instruments.

Adjustment to level 2 inputs will vary depending on factors specific to the asset or liability such as the location or condition of the asset.

(b) **Financial risk management**

*Overview*

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

- Credit risk
- Liquidity risk
- Market risk

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

(i) **Risk management framework**

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

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

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by the Internal Audit Function, outsourced to Bamidele Daramola & Co.

Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

## Notes to the Consolidated and Separate Financial Statements

### (b) Financial risk management (cont'd)

#### (ii) Credit risk

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

#### Exposure to credit risk

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

| <i>In thousands of naira</i>                                       | <b>Group<br/>30 Sep.<br/>2024</b> | <b>Company<br/>30 Sep.<br/>2024</b> | <b>Company<br/>31 Dec.<br/>2023</b> |
|--|-----------------------------------|-------------------------------------|-------------------------------------|
| Trade and other receivables (See (a) below)                        | 108,796                           | 90,551                              | 277,864                             |
| Cash and cash equivalents (excluding cash at hand) (See (b) below) | 563,577                           | 553,455                             | 797,968                             |
| Other financial assets (See (b) below)                             | 387,704                           | 387,704                             | 257,122                             |
|  | <u>1,060,077</u>                  | <u>1,031,710</u>                    | <u>1,332,954</u>                    |

#### (a) Trade and other receivables

| <i>In thousands of naira</i>                     | <b>Group<br/>30 Sep.<br/>2024</b> | <b>Company<br/>30 Sep.<br/>2024</b> | <b>Company<br/>31 Dec.<br/>2023</b> |
|--|-----------------------------------|-------------------------------------|-------------------------------------|
| Net trade and lease receivables (See a(i) below) | 18,961                            | 716                                 | 186,002                             |
| Deposit with Company registrar (See a(ii) below) | 63,953                            | 63,953                              | 89,796                              |
| Staff debtors (See a(iii) below)                 | 3,632                             | 3,632                               | 1,760                               |
| Other receivables (See a(iii) below)             | 22,250                            | 22,250                              | 306                                 |
|  | <u>108,796</u>                    | <u>90,551</u>                       | <u>277,864</u>                      |

#### (i) Net trade and lease receivables

The Company's exposure to credit risk in respect of trade receivables is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings when available, and in some cases bank references. Credit sales limits are established for each customer and are reviewed regularly. The concentration of credit risk is limited due to the large and unrelated customer base. The Company has pledged no trade receivables during the period.

The Group limits its credit risk from trade receivable by establishing a maximum payment of 30 and 60 days depending on the customer credit rating.

#### Concentration of risk

At 30 September 2024, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows;

| <i>In thousands of naira</i>   | <b>Carrying amount</b>            |                                     |                                     |
|--------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
|                                | <b>Group<br/>30 Sep.<br/>2024</b> | <b>Company<br/>30 Sep.<br/>2024</b> | <b>Company<br/>31 Dec.<br/>2023</b> |
| Wholesale customers            | 58,600                            | 58,600                              | 55,463                              |
| Retail customers (Home owners) | 29,813                            | 29,813                              | 21,513                              |
| Others (Corporates)            | 137,000                           | 137,000                             | 124,901                             |
| Lease receivable               | 89,804                            | 89,804                              | 89,804                              |
|                                | <u>315,217</u>                    | <u>315,217</u>                      | <u>291,681</u>                      |

Impairment losses on financial assets recognised in profit or loss were as follows:

|   |                |                |                |
|---|----------------|----------------|----------------|
| - Impairment loss on trade receivable arising from contracts for sale | 21,991         | 21,991         | 21,991         |
| - Impairment loss on investment property lease contracts              | 83,688         | 83,688         | 83,688         |
|   | <u>105,679</u> | <u>105,679</u> | <u>105,679</u> |
| Net trade and lease receivables                                       | <u>203,495</u> | <u>186,002</u> | <u>186,002</u> |

## Notes to the Consolidated and Separate Financial Statements

### Concentration of risk (cont'd)

The Group uses an allowance matrix to measure the expected credit loss (ECL) from trade receivables from sale of paints and rental of investment property. The exposures are calculated separately for each segment based on their common characteristics. Loss rates are calculated based on actual loss experienced over the past three years. These rates adjusted by a scalar factor to reflect differences in economic conditions during the period over which the historical data has been collected and the Group's view of economic conditions over the expected lives of the receivables. The scalar factor is based on forecasted inflation rates and industry outlook.

At 30 September 2024, the ageing of trade receivables was as follows:

#### Group

30 September 2024

| <i>In thousands of naira</i>  | Credit<br>impaired | Weighted<br>average loss | Gross          | Impairment | Net            |
|-------------------------------|--------------------|--------------------------|----------------|------------|----------------|
| <i>Current (not past due)</i> | No                 | 0%                       | 17,493         | -          | 17,493         |
| Past due 1–30 days            | No                 | 0%                       | 85,178         | 0          | 85,178         |
| Past due 31–60 days           | No                 | 0%                       | 110            | 0          | 110            |
| Over 61 days due              | No                 | 0%                       | 33,361         | 0          | 33,361         |
|                               |                    |                          | <b>136,141</b> | <b>0</b>   | <b>136,141</b> |

#### Company

30 September 2024

| <i>In thousands of naira</i>  | Credit<br>impaired | Weighted<br>average loss | Gross          | Impairment | Net            |
|-------------------------------|--------------------|--------------------------|----------------|------------|----------------|
| <i>Current (not past due)</i> | No                 | 0%                       |                | -          | 0              |
| Past due 1–30 days            | No                 | 0%                       | 85,178         | -          | 85,178         |
| Past due 31–60 days           | No                 | 0%                       | 110            | 0          | 110            |
| Over 61 days due              | No                 | 0%                       | 33,361         | 0          | 33,361         |
|                               |                    |                          | <b>118,649</b> | <b>0</b>   | <b>118,649</b> |

31 December 2023

| <i>In thousands of naira</i>  | Credit<br>impaired | Weighted<br>average loss | Gross          | Impairment      | Net            |
|-------------------------------|--------------------|--------------------------|----------------|-----------------|----------------|
| <i>Current (not past due)</i> | No                 | 0%                       | 62,624         | -               | 62,624         |
| Past due 1–30 days            | No                 | 8%                       | 71,422         | (756)           | 70,666         |
| Past due 31–60 days           | No                 | 12%                      | 37,225         | (3,958)         | 33,267         |
| Over 61 days due              | Yes                | 56%                      | 30,606         | (17,277)        | 13,329.00      |
|                               |                    |                          | <b>201,877</b> | <b>(21,991)</b> | <b>179,886</b> |

At 30 September 2024, the ageing of lease receivables was as follows:

#### Group

30 September 2024

| <i>In thousands of naira</i>  | Credit<br>impaired | Weighted<br>average loss | Gross  | Impairment | Net   |
|-------------------------------|--------------------|--------------------------|--------|------------|-------|
| <i>Current (not past due)</i> | No                 | 0%                       | 6,116  | -          | 6,116 |
| Over 61 days due              | Yes                | 100%                     | 83,688 | (83,688)   | 0     |
|                               |                    |                          | 89,804 | (83,688)   | 6,116 |

## Notes to the Consolidated and Separate Financial Statements

### Company

30 September 2024

| <i>In thousands of naira</i>  | Credit   | Weighted     | Gross         | Impairment      | Net          |
|-------------------------------|----------|--------------|---------------|-----------------|--------------|
|                               | impaired | average loss |               |                 |              |
| <i>Current (not past due)</i> | No       | 0%           | 6,116         | -               | 6,116        |
| Over 61 days due              | Yes      | 100%         | 83,688        | (83,688)        | -            |
|                               |          |              | <u>89,804</u> | <u>(83,688)</u> | <u>6,116</u> |

31 December 2023

| <i>In thousands of naira</i>  | Credit   | Weighted     | Gross         | Impairment      | Net      |
|-------------------------------|----------|--------------|---------------|-----------------|----------|
|                               | impaired | average loss |               |                 |          |
| <i>Current (not past due)</i> | No       | 0%           | 6,116         | -               | 6,116    |
| Over 61 days due              | Yes      | 100%         | 83,688        | (83,688)        | -        |
|                               |          |              | <u>83,688</u> | <u>(83,688)</u> | <u>-</u> |

The Group does not hold collateral on these balances. The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

Movement in the allowance for impairment in respect of trade receivable during the period was as follows:

| <i>In thousands of naira</i>                | Group          | Company        | Company        |
|---|----------------|----------------|----------------|
|   | 30 Sep. 2024   | 30 Sep. 2024   | 31 Dec. 2023   |
| Balance as at 1 January                     | 105,679        | 105,679        | 184,030        |
| Bad debt written off                        | 0              | 0              | (33,786)       |
| (Write back)/Impairment loss of receivables | 0              | 0              | (44,566)       |
| Balance as at 30 September                  | <u>105,679</u> | <u>105,679</u> | <u>105,679</u> |

### (ii) Deposit with Company Registrar

This represents amounts held with the Company registrar in respect of payments of declared dividends to shareholders on behalf of the Company. This represents the Company's maximum credit exposure to the financial asset. The refund of this receivable is as stipulated by the Securities Exchange Commission's set guidelines.

The Company's registrar is Meristem Registrars Limited. The Company has assessed the credit risk as low and the ECL is immaterial.

### (iii) Staff debtors and other receivables

This mainly represents lease receivable in respect of rent of an insignificant portion of the Group's building properties to third parties and receivables from employees.

These receivables are payable on demand and its contractual period is less than 12 months. The Group has assessed the counter parties to have sufficient net liquid assets and are considered to be low credit risk, hence, the expected expected credit loss is immaterial.

Consequently, the Group has not incurred impairment loss in respect of staff debtors and other receivables.

### (b) Cash and cash equivalents and other financial asset:

The Group and Company held cash and cash equivalents and other financial asset as at 30 September 2024 amounting to ₦563.7 million and ₦387.7 million and ₦553.6million (2023: N798 million) and ₦387.8 million (2023: N257 million) respectively which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with commercial banks with good external ratings. The Group manages the risk associated with its cash and cash equivalents by selecting banks with strong financial position and history of good performance.

Impairment on cash and cash equivalent has been measured on a 12 month expected credit loss basis and reflects the short maturities of the exposures. The Group considered that its cash and cash equivalent and other financial asset have low credit risk and the assessed ECL is not considered material.

## Notes to the Consolidated and Separate Financial Statements

### (iii) Liquidity risk

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

The Group aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. At 30 September, 2024, the expected cash flows from trade and other receivables maturing within three months from Group and Company were ₦203 million and ₦186 million (2023: ₦186 million) respectively. This excludes potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

#### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

#### Group

30 September 2024

|                           | Contractual cash flows |                  |                  |               |                |                |                   |
|---------------------------|------------------------|------------------|------------------|---------------|----------------|----------------|-------------------|
|                           | Carrying Amount        | Total            | 6 months or less | 6-12 months   | 1 – 2 years    | 2 – 5 years    | More than 5 years |
| 30 September 2024         |                        |                  |                  |               |                |                |                   |
| Loans and borrowings      | 332,169                | 482,334          | -                | 28,538        | 228,308        | 178,864        | 46,624            |
| Trade and other payables* | 1,691,801              | 1,691,801        | 1,691,801        | -             | -              | -              | -                 |
| Dividend payable          | 362,757                | 362,757          | 362,757          | -             | -              | -              | -                 |
|                           | <b>2,386,727</b>       | <b>2,536,892</b> | <b>2,054,558</b> | <b>28,538</b> | <b>228,308</b> | <b>178,864</b> | <b>46,624</b>     |

#### Company

30 September 2024

|                              | Contractual cash flows |                  |                  |               |                |                |                   |
|------------------------------|------------------------|------------------|------------------|---------------|----------------|----------------|-------------------|
|                              | Carrying Amount        | Total            | 6 months or less | 6-12 months   | 1 – 2 years    | 2 – 5 years    | More than 5 years |
| 30 September 2024            |                        |                  |                  |               |                |                |                   |
| <i>In thousands of naira</i> |                        |                  |                  |               |                |                |                   |
| Loans and borrowings         | 332,169                | 482,334          | 0                | 28,538        | 228,308        | 178,864        | 46,624            |
| Trade and other payables*    | 1,682,684              | 1,682,684        | 1,682,684        | 0             | -              | -              | -                 |
| Dividend payable             | 362,757                | 362,757          | 362,757          | 0             | -              | -              | -                 |
| Lease liability              |                        |                  |                  |               |                |                |                   |
|                              | <b>2,377,610</b>       | <b>2,527,775</b> | <b>2,045,441</b> | <b>28,538</b> | <b>228,308</b> | <b>178,864</b> | <b>46,624</b>     |

#### Exposure to liquidity risk (cont'd)

#### Company

31 December 2023

|                              | Contractual cash flows |                  |                  |                |                |                |                   |
|------------------------------|------------------------|------------------|------------------|----------------|----------------|----------------|-------------------|
|                              | Carrying Amount        | Total            | 6 months or less | 6-12 months    | 1 – 2 years    | 2 – 5 years    | More than 5 years |
| 31 December 2023             |                        |                  |                  |                |                |                |                   |
| <i>In thousands of naira</i> |                        |                  |                  |                |                |                |                   |
| Loans and borrowings         | 345,218                | 482,334          | 0                | 28,538.00      | 228,308.00     | 178,864.00     | 46,624            |
| Trade and other payables*    | 1,228,506              | 1,228,506        | 614,253          | 614,253        | -              | -              | -                 |
| Dividend payable             | 382,281                | 286,711          | 191,141          | 95,570         | -              | -              | -                 |
|                              | <b>1,956,005</b>       | <b>1,997,551</b> | <b>805,394</b>   | <b>738,361</b> | <b>228,308</b> | <b>178,864</b> | <b>46,624</b>     |

\*Trade and other payables excludes statutory deductions such as non-income tax and pension payables

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

## Notes to the Consolidated and Separate Financial Statements

(iv) **Market risk**

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

**1. Currency risk**

The Group is exposed to currency risk on purchases that are denominated in a currency other than the functional currency of the Group. The functional currency of the Group is primarily the Naira. The currencies in which these transactions are primarily denominated are Naira (N), Euro (€), US Dollars (US\$) and Pounds Sterling (GBP). The currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate due to the changes in foreign exchange rates.

The Group's policy is to ensure that its net exposure in respect of monetary assets and liabilities denominated in foreign currencies are kept to an acceptable level. The Group monitors the movement in foreign currencies on an ongoing basis and takes appropriate actions as necessary.

**Exposure to currency risk**

The summary quantitative data about the Group's exposure to currency risk is as follows:

| Group  | 30 September 2024 |       |     | 31 December 2023 |     |     |
|--|-------------------|-------|-----|------------------|-----|-----|
|  | US\$              | €     | GBP | US\$             | €   | GBP |
| Foreign currency included in cash and cash equivalents | 4,688             | 1,940 | 356 | 72,216           | 973 | 356 |

| Company  | 30 September 2024 |       |     | 31 December 2023 |     |     |
|--|-------------------|-------|-----|------------------|-----|-----|
|  | US\$              | €     | GBP | US\$             | €   | GBP |
| Foreign currency included in cash and cash equivalents | 4,688             | 1,940 | 356 | 72,216           | 973 | 356 |

**Exposure to currency risk (cont'd)**

The following significant exchange rates were applied;

**Group**

*Naira*

US\$ 1

€ 1

GBP 1

| Average rate during the year |           | Year end spot rate |           |
|------------------------------|-----------|--------------------|-----------|
| 30-Sep-24                    | 31-Dec-23 | 30-Sep-24          | 31-Dec-23 |
| 1541.00                      | 899.90    | 1485.00            | 951.29    |
|                              | 993.10    | 1642.71            | 1052.49   |
|                              | 1,144.00  | 1783.24            | 1142.79   |

**Exposure to currency risk(cont'd)**

**Company**

*Naira*

US\$ 1

€ 1

GBP 1

| Average rate during the year |           | Year end spot rate |           |
|------------------------------|-----------|--------------------|-----------|
| 30-Sep-24                    | 31-Dec-23 | 30-Sep-24          | 31-Dec-23 |
| 1541.00                      | 899.90    | 1485.00            | 951.29    |
|                              | 993.10    | 1642.71            | 1052.49   |
|                              | 1,144.00  | 1783.24            | 1142.79   |

**Sensitivity analysis**

A reasonably possible strengthening /(weakening) of the naira against all other currencies at 30 September 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest and inflation rates, remain constant and ignores any impact of forecast purchases.

*In thousands of Naira*

**Group and Company**

**30 September 2024**

US\$ (20% movement)

€ (20% movement)

GBP (20% movement)

**Company**

**31 December 2023**

US\$ (20% movement)

€ (20% movement)

GBP (20% movement)

|  | Profit or loss |           |
|--|----------------|-----------|
|  | Strengthening  | Weakening |
|  |                |           |
|  | 1,936          | (1,936)   |
|  | 21             | (21)      |
|  | 9              | (9)       |
|  |                |           |
|  | 13,740         | (8,236)   |
|  | 205            | (96)      |
|  | 81             | (40)      |

## Notes to the Consolidated and Separate Financial Statements

### 2 Interest rate risk

The Group and Company adopts a policy of ensuring that all its interest rate risk exposure is at fixed rate. This is achieved by entering into fixed rate instruments.

Interest rate risk comprises interest price risk that results from borrowings at fixed rates and the interest cashflow risk that results from borrowings at variable rates. The Board of Directors is responsible for setting the overall duration and interest management targets. The Company's objective is to manage its interest rate exposure through careful borrowing profiling and use of heterogeneous borrowing sources.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

#### Group

##### Fixed rate instruments

*In thousands of naira*

Financial liabilities:

Short term borrowings

Long term borrowing

|  | <b>Nominal amount</b> |                  |
|--|-----------------------|------------------|
|  | <b>30 Sep. 2024</b>   | <b>31-Dec-23</b> |
|  | 22,403                | 22,403           |
|  | 309,766               | 322,815          |
|  | 332,169               | 345,218          |

#### Company

##### Fixed rate instruments

*In thousands of naira*

Financial liabilities:

Short term borrowings

Long term borrowing

|  | <b>Nominal amount</b> |                  |
|--|-----------------------|------------------|
|  | <b>30 Sep. 2024</b>   | <b>31-Dec-23</b> |
|  | 22,403                | 22,403           |
|  | 309,766               | 322,815          |
|  | 332,169               | 345,218          |

Fair value sensitivity analysis for fixed rate instruments

The Group and Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

#### Cash flow sensitivity analysis for variable rate instruments

The Group and Company does not have any variable rate financial assets and liabilities as at 30 September 2024 (December 2023: Nil).

### (c) Capital management

The Group and Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. This is done by using a ratio of adjusted net debt to adjusted equity. Adjusted net debt has been defined as total liabilities, comprising loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group and Company's adjusted net debt to equity ratio at 30 September, was as follows.

#### Group

*In thousands of naira*

Total liabilities

Less: Cash and Cash equivalents

Adjusted net debt

Total Equity

Net debt to equity ratio

|  | <b>30 Sep. 2024</b> | <b>31-Dec-23</b> |
|--|---------------------|------------------|
|  | 3,292,172           | 3,088,667        |
|  | (563,687)           | (802,287)        |
|  | 2,728,485           | 2,286,380        |
|  | 3,507,357           | 3,507,934        |
|  | 0.78                | 0.65             |

### (c) Capital management (cont'd)

#### Company

*In thousands of naira*

Total liabilities

Less: Cash and Cash equivalents

Adjusted net debt

Total Equity

Net debt to equity ratio

|  | <b>30 Sep. 2024</b> | <b>31-Dec-23</b> |
|--|---------------------|------------------|
|  | 3,280,914           | 3,079,569        |
|  | (553,565)           | (798,037)        |
|  | 2,727,349           | 2,281,532        |
|  | 3,527,502           | 3,531,401        |
|  | 0.77                | 0.65             |

## Notes to the Consolidated and Separate Financial Statements

### 31 Leases

#### A. Leases as Lessee (IFRS 16)

The Group and Company leases land which is for a minimum lease term of 99 years. This lease was entered into several years ago and was classified as leasehold land.

As at 30 September 2024, the Group and Company has ongoing lease arrangement for the right to use of motor vehicles, required for the replacement of aged sales field force vehicles and part of administrative/operations use. The lease expires in 2022; however, management has the intention to exercise the purchase option.

Right of use assets related to leased assets are presented as property, plant and equipment (see Note 14(f)). Interest on lease liabilities as well as the repayments of the lease has been included in loans and borrowings (see Note 26(a)).

#### B. Leases as Lessor

The Group and Company leases out its investment property consisting of its owned commercial properties (see Note 16).

The Group and Company has clasified these leases as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the investment property.

##### a. Future minimum lease payments

At as 30 September, 2024 there are no future minimum lease receivables under non cancellable lease and each of the leases are one year (2023: Nil)

| <i>In thousands of naira</i> | <b>Group</b>        | <b>Company</b>      | <b>Company</b>   |
|------------------------------|---------------------|---------------------|------------------|
|                              | <b>30 Sep. 2024</b> | <b>30 Sep. 2024</b> | <b>31-Dec-23</b> |
| Less than one year           | 69,942              | 69,942              | 69,942           |
| Between one and five years   | 19,862              | 19,862              | 19,863           |
|                              | <b>89,804</b>       | <b>89,804</b>       | <b>89,805</b>    |

##### b. Amounts recognised in profit or loss

Investment property lease income recognised for the year is ₦4 million (2023: ₦33 million) and was included in 'Other income' (note 6). Depreciation expense on the investment property was included in 'Expenses' (note 9(b)).

### 32 Provision of Non Audit Services

The details of non-audit services and the applicable fees paid during the period ended 30 September 2024 were:

| <i>In thousands of naira</i>                                  | <b>Group</b>        | <b>Company</b>      | <b>Company</b> |
|---|---------------------|---------------------|----------------|
|   | <b>30 Sep. 2024</b> | <b>30 Sep. 2024</b> | <b>31-Dec</b>  |
| i. Tax services   | -                   | -                   | 1,808          |
| ii. Transfer pricing advisory services                        | -                   | -                   | 1,113          |
| iii. Attestation of Internal Control over Financial Reporting | -                   | -                   | 6,000          |

### 33 Contingencies

There is a pending litigation as at 30 September 2024 arising from the litigation case between Sowerscree Ventures Ltd vs the Company where the plaintiff has sued on the breach of the outsourced business partnership agreement between the parties. No provision has been recorded as the Director's have assessed that the claimants' claim is unlikely to succeed based on the terms of the agreement and hence no material loss is expected on conclusion of the case. The claim against the Company amounted to N310 million. (2023: N310 million).

## Notes to the Consolidated and Separate Financial Statements

### 34 Subsequent events

There were no other events after the reporting date that could have had a material effect on the consolidated and separate financial statements that have not been provided for or disclosed in these financial statements.

### 35 Operating segments

#### a. Basis of segmentation

The Company has three reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different process and marketing strategies. For each of the strategic business units, the Company's Management Committee review internal management reports on a weekly basis. The following summary describes the operations in each of the Company's reportable segments:

| <u>Reportable segments</u>        | <u>Operations</u>   |
|-----------------------------------|---|
| Paints and allied products        | Manufacturing, distributing and selling of paints and allied products |
| Contract revenue                  | Rendering of painting services  |
| Investment property rental income | Investment property rentals   |

The accounting policies of the reportable segments are described in Notes 4.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before taxation, as included in the internal management reports that are reviewed by the Group and Company's Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

#### b. Information about reportable segments

##### Group

Profit or loss

*In thousands of naira*

|   | <b>Paints and allied products</b> | <b>Contract revenue</b> | <b>Investment property rental income</b> | <b>Unallocated</b> | <b>Total</b> |
|---|-----------------------------------|-------------------------|--|--------------------|--------------|
| <b>30 September 2024</b>                          |                                   |                         |  |                    |              |
| External revenues                                 | 7,546,326                         | 30,257                  | 6,030                                    | -                  | 7,582,613    |
| Finance income                                    | -                                 | -                       | -  | 9,894              | 9,894        |
| Finance costs                                     | -                                 | -                       | -  | (38,464)           | (38,464)     |
| Depreciation & amortisation                       | 161,775                           | -                       | (15,269)                                 | -                  | 146,506      |
| Writeback/ (Impairment loss) on trade receivables | -                                 | -                       | -  | -                  | 78,351       |
| Reportable segment profit/(loss) before taxation  | 370,933                           | 6,996                   | (9,239)                                  | (28,570)           | 340,120      |

#### b. Information about reportable segments (cont'd)

##### Company

Profit or loss

*In thousands of naira*

|   | <b>Paints and allied products</b> | <b>Contract revenue</b> | <b>Investment property rental income</b> | <b>Unallocated</b> | <b>Total</b> |
|---|-----------------------------------|-------------------------|--|--------------------|--------------|
| <b>30 September 2024</b>                          |                                   |                         |  |                    |              |
| External revenues                                 | 7,472,246                         | 30,257                  | 6,030                                    | -                  | 7,508,533    |
| Finance income                                    | -                                 | -                       | -  | 9,894              | 9,894        |
| Finance costs                                     | -                                 | -                       | -  | (38,464)           | (38,464)     |
| Depreciation & amortisation                       | 167,927                           | -                       | (15,269)                                 | -                  | 152,658      |
| Writeback/ (Impairment loss) on trade receivables | -                                 | -                       | -  | -                  | 78,351       |
| Reportable segment profit/(loss) before taxation  | 366,048                           | 6,996                   | (9,239)                                  | (28,570)           | 335,235      |

|                                      | Paints and allied products | Contract revenue | Investment property rental income | Unallocated | Total     |
|--------------------------------------|----------------------------|------------------|-----------------------------------|-------------|-----------|
| <b>31 December 2023</b>              |                            |                  |                                   |             |           |
| External revenues                    | 7,603,703                  | 306,478          | 33,315                            | -           | 7,943,496 |
| Finance income                       | -                          | -                | -                                 | 40,546      | 40,546    |
| Finance costs                        | -                          | -                | -                                 | (28,419)    | (28,419)  |
| Depreciation & amortisation          | (214,869)                  | -                | (20,360)                          | -           | (235,229) |
| Impairment loss on trade receivables | 44,566                     | -                | -                                 | -           | -         |
| Reportable segment profit before     | 677,243                    | 97,457           | 12,955                            | 12,127      | 799,782   |

Assets and liabilities by reportable segments are not presented to the Chief Operating Decision Maker (Management Committee) on a regular basis. Therefore, information on segment assets and liabilities has not been presented.

**Reconciliation of reportable segment revenue, profit or loss, assets and liabilities and other material items**

**Revenues**

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

**Profit or loss**

|  | Group               | Company             | Company          |
|--|---------------------|---------------------|------------------|
|  | <u>30 Sep. 2024</u> | <u>30 Sep. 2024</u> | <u>31-Dec-23</u> |
| <i>In thousands of naira</i>                                 |                     |                     |                  |
| Total profit or loss before taxation for reportable segments | 368,690             | 363,805             | 787,656          |
| Unallocated finance income                                   | 9,894               | 9,894               | 40,546           |
| Unallocated finance costs                                    | (38,464)            | (38,464)            | (28,419)         |
| Profit before taxation                                       | <u>340,120</u>      | <u>335,235</u>      | <u>799,783</u>   |

**Other material items**

There are no significant reconciling items between other material items for the reportable segments and Company total.

**Major customer**

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

**Other National Disclosures**  
**Value Added Statement**

*For the 9 months ended 30 September 2024*  
*In thousands of naira*

|                                  |             | <b>Group *</b>      |          | <b>Company</b>      |          | <b>Company</b>               |          |
|----------------------------------|-------------|---------------------|----------|---------------------|----------|------------------------------|----------|
|                                  | <b>Note</b> | <b>30 Sep. 2024</b> | <b>%</b> | <b>30 Sep. 2024</b> | <b>%</b> | <b>9 Mths to 30 Sep 2023</b> | <b>%</b> |
| Sales                            | 5           | 7,576,583           |          | 7,502,503           |          | 5,416,780                    |          |
| Finance Income                   | 7           | 9,894               |          | 9,894               |          | 4,219                        |          |
| Other income                     | 6           | 59,353              |          | 59,353              |          | 61,070                       |          |
|                                  |             | <u>7,645,830</u>    |          | <u>7,571,750</u>    |          | <u>5,482,069</u>             |          |
| Bought in materials and services |             |                     |          |                     |          |                              |          |
| - Imported                       |             | (1,440,000)         |          | (1,440,000)         |          | (440,679)                    |          |
| - Local                          |             | (4,841,748)         |          | (4,774,642)         |          | (3,701,661)                  |          |
| Value added                      |             | <u>1,364,082</u>    | 100      | <u>1,357,108</u>    | 100      | <u>1,339,729</u>             | 100      |

**Distribution of value added**

**To Employees:**

|                    |       |         |    |         |    |         |    |
|--------------------|-------|---------|----|---------|----|---------|----|
| Personnel expenses | 10(a) | 800,214 | 58 | 800,214 | 59 | 625,265 | 47 |
|--------------------|-------|---------|----|---------|----|---------|----|

**To Providers of Finance:**

|                   |   |        |   |        |   |       |   |
|-------------------|---|--------|---|--------|---|-------|---|
| Interest on loans | 7 | 38,464 | 2 | 38,464 | 3 | 2,676 | 0 |
|-------------------|---|--------|---|--------|---|-------|---|

**To Government:**

|          |       |         |   |         |   |         |    |
|----------|-------|---------|---|---------|---|---------|----|
| Taxation | 11(a) | 108,839 | 8 | 107,275 | 8 | 187,204 | 14 |
|----------|-------|---------|---|---------|---|---------|----|

**Retained in the business as:**

|                    |      |                  |    |                  |     |                  |     |
|--------------------|------|------------------|----|------------------|-----|------------------|-----|
| Depreciation       | 9(b) | 177,047          | 13 | 174,958          | 13  | 118,617          | 9   |
| Amortisation       | 15   | 8,237            | 1  | 8,237            | 1   | 8,158            | 1   |
| To augment reserve |      | 231,281          | 17 | 227,960          | 17  | 397,808          | 29  |
|                    |      | <u>1,364,082</u> | 99 | <u>1,357,108</u> | 100 | <u>1,339,728</u> | 100 |

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

\* Only one year financial summary has been prepared for the Group because 31 December 2023 is the first year of consolidation