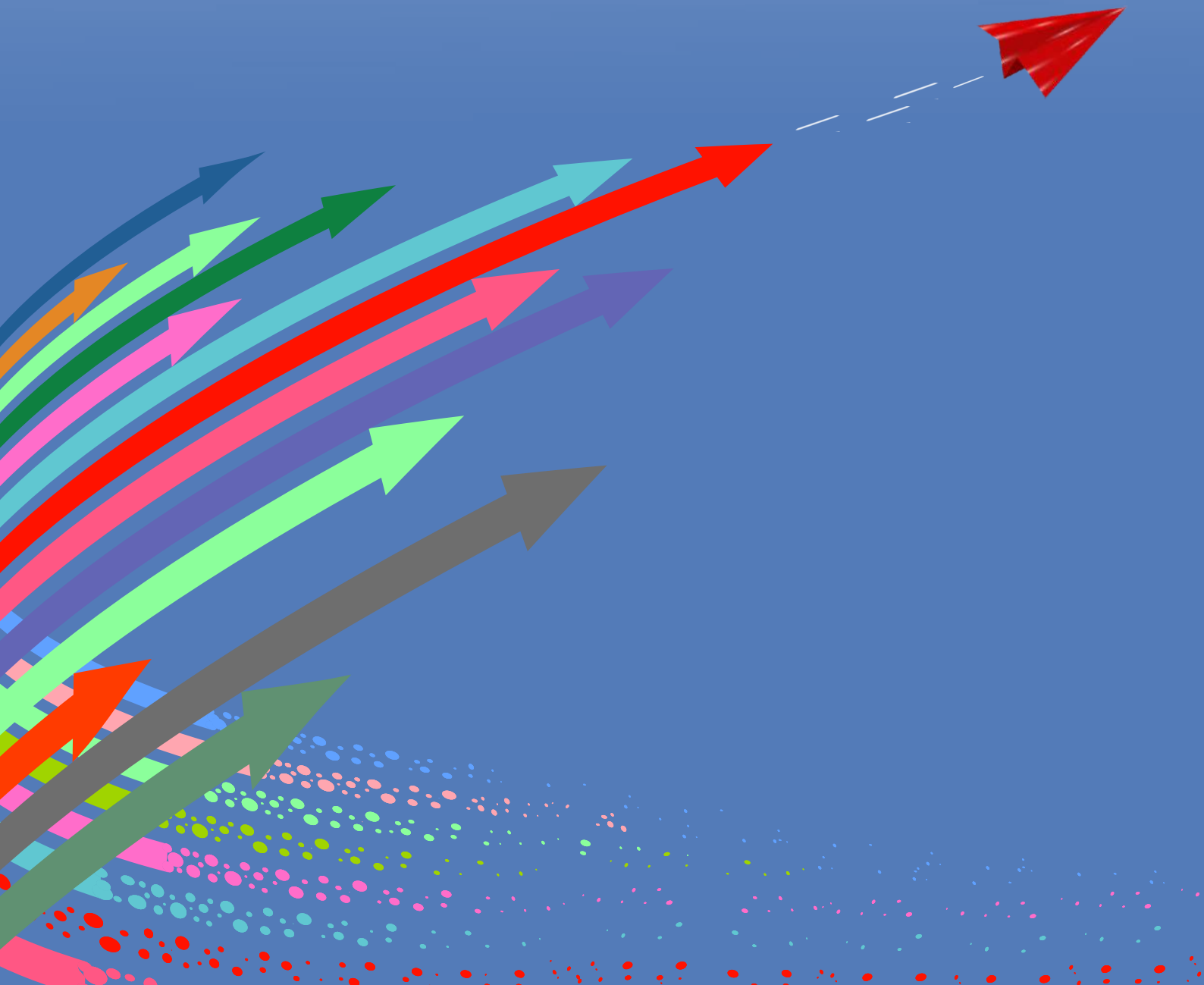


BERGER PAINTS NIGERIA PLC



2023 Annual Reports & Accounts





GOOD COVERAGE AND A DAZZLING FINISH



- ✓ Standard Matt Finish
- ✓ Good Coverage
- ✓ Wide Colour Range
- ✓ Recommended for Interior & Exterior
- ✓ Good Durability

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CORPORATE POLICY STATEMENT

VISION

To be the top paint manufacturing brand in Africa

MISSION

To leverage our talented team and advanced manufacturing technology to deliver superior products and satisfaction to our clients

CORE VALUES

Professionalism,
Integrity, Innovation,
Customer-Focus,
Teamwork (PICT).



DIRECTORS AND PROFESSIONAL ADVISERS, ETC.

Board of Directors:	<p>Abi Ayida - Chairman</p> <p>Adekunle Olowokande - Non - Executive Director</p> <p>Raj Mangtani (Indian) - Non - Executive Director</p> <p>Ogechi Iheanacho - Non - Executive Director</p> <p>Erejuwa Gbadebo - Independent Non - Executive Director</p> <p>Aisha Umar - Independent Non - Executive Director</p> <p>Alaba Fagun - Managing Director</p>		
Company Secretary/ Legal Adviser	Omolara Bello		
Registered Office:	102, Oba Akran Avenue, Ikeja, Industrial Estate, P.M.B. 21052, Ikeja, Lagos.		
Contact Details	<p>Mobile: +234 810 216 4586</p> <p>0700BERGERPAINTS [0700237437724687]</p> <p>Email: customercare@bergerpaintnig.com</p> <p>Website: www.bergerpaintsnig.com</p>		
Social Media Accounts	<p>Facebook: https://www.facebook.com/Bergerpaintsnig</p> <p>LinkedIn: www.linkedin.com/company/berger-paints-nigeria-plc</p> <p>X (formerly Twitter): https://twitter.com/Bergerpaintsnig</p> <p>Instagram: https://www.instagram.com/bergerpaintsnig</p> <p>You Tube: https://www.youtube.com/@bergerpaintsnig</p>		
Investors Relation	<p>Berger Paints Nigeria Plc. has a dedicated investors' portal on its corporate website which can be accessed via this link: www.bergerpaintsnig.com</p> <p>The Company's Investors' Relations Officer can also be reached through electronic mail at: investors@bergerpaintnig.com; or telephone on: +234 9037757191 for any investment related enquiry.</p>		
NSE Trading Information	<p>Trading Name: Berger Paints Nig. Plc. (Berger)</p> <p>Ticker Symbol: Berger</p> <p>Sector: Industrial Goods</p> <p>Sub Sector: Building Materials</p> <p>Market Classification: Main Board</p>		
Registration Number:	RC: 1837		
TIN	01335257-0001		
FRC Registration Number:	FRC/2012/0000000000295		
Registrars:	<p>Meristem Registrars Limited</p> <p>213, Herbert Macaulay Way, Adekunle, Yaba, Lagos.</p> <p>P.O. Box 51585, Falomo, Ikoyi, Lagos</p> <p>Tel: 8920491, 8920492, 01-2809250-3</p> <p>Email: info@meristemregistrars.com</p> <p>Website: www.meristemregistrars.com</p>		
Independent Auditor:	<p>KPMG Professional Services</p> <p>KPMG Tower</p> <p>Bishop Aboyade Cole Street,</p> <p>Victoria Island, Lagos</p> <p>Tel: +234 1 271 8955 (or 8599)</p>		
Bankers:	<table border="0"> <tr> <td> <p>Access Bank Plc</p> <p>Ecobank Nigeria Limited</p> <p>Fidelity Bank Plc</p> <p>First Bank of Nigeria Limited</p> <p>First City Monument Bank Limited</p> <p>Guaranty Trust Bank Plc</p> <p>Heritage Bank Ltd</p> </td> <td> <p>Keystone Bank Limited</p> <p>Polaris Bank Limited</p> <p>Union Bank of Nigeria Plc</p> <p>United Bank for Africa Plc</p> <p>Wema Bank Plc</p> <p>Zenith Bank Plc</p> <p>Sterling Bank Plc</p> </td> </tr> </table>	<p>Access Bank Plc</p> <p>Ecobank Nigeria Limited</p> <p>Fidelity Bank Plc</p> <p>First Bank of Nigeria Limited</p> <p>First City Monument Bank Limited</p> <p>Guaranty Trust Bank Plc</p> <p>Heritage Bank Ltd</p>	<p>Keystone Bank Limited</p> <p>Polaris Bank Limited</p> <p>Union Bank of Nigeria Plc</p> <p>United Bank for Africa Plc</p> <p>Wema Bank Plc</p> <p>Zenith Bank Plc</p> <p>Sterling Bank Plc</p>
<p>Access Bank Plc</p> <p>Ecobank Nigeria Limited</p> <p>Fidelity Bank Plc</p> <p>First Bank of Nigeria Limited</p> <p>First City Monument Bank Limited</p> <p>Guaranty Trust Bank Plc</p> <p>Heritage Bank Ltd</p>	<p>Keystone Bank Limited</p> <p>Polaris Bank Limited</p> <p>Union Bank of Nigeria Plc</p> <p>United Bank for Africa Plc</p> <p>Wema Bank Plc</p> <p>Zenith Bank Plc</p> <p>Sterling Bank Plc</p>		



PROTECTION FROM CORROSION AND CHEMICAL ENVIRONMENT



- ✓ Alkyd Gloss
- ✓ Epoxy Coatings
- ✓ Marine Coatings
- ✓ Acrylic Polyurethane

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FINANCIAL HIGHLIGHTS

For the year ended 31 December 2023

In thousands of naira	Group	Company	Company	%
	2023	2023	2022	
Revenue	7,967,546	7,910,181	6,331,634	25
Gross profit	2,708,169	2,696,120	2,005,318	34
Operating profit	751,277	774,744	386,022	101
Profit before Taxation	776,316	799,783	355,579	125
Profit for the period	445,330	468,797	208,670	125
Share capital	144,912	144,912	144,912	-
Total equity	3,507,934	3,531,401	3,323,445	6
Data per 50k share				
Basic earnings per share (kobo)	154	162	72	125
Declared dividend (kobo)*		70	40	75
Net assets per share (Naira)	12	12	11	9
Market price per share as at period end (Naira)	13	13	6	118
Market capitalization as at period end	3,767,712	3,767,712	1,724,453	118
Dividend per 50k share in respect of current period results only				
Interim Dividend declared (kobo)**	-	20	-	
Final Dividend proposed (kobo)***	-	80	70	

* Dividend declared represents dividend proposed for the preceding year but declared during the current year.

** The Directors approved an interim dividend of 20 kobo during the year (2022: Nil) per share on issued share capital of 289,823,447 (2022: 289,823,447) ordinary shares of 50 kobo each to be ratified by shareholders at the next Annual General Meeting. The dividend has since been paid.

*** The Directors are proposing a final dividend of 80 kobo (2022: 70 kobo) per share on issued share capital of 289,823,477 (2022: 289,823,447) ordinary shares of 50 kobo each, subject to approval by the shareholders at the Annual General Meeting.



CORPORATE PROFILE

Berger Paints Nigeria Plc. (BPN) was established on 9th January, 1959 and is a leader in the Nigerian coating and allied industry. The company has been providing quality paints and allied coating solutions to meet the needs of various sectors of the economy.

The Company is reputed to be the first in setting standards in the paints industry in Nigeria. Some of the pioneering activities include:

- First paint manufacturer to be established in Nigeria
- First paint company to be quoted on the Nigerian Stock exchange
- First paint researcher to introduce textured coating named Texcote to the Nigerian market.
- First to develop, manufacture and supply coil-coating paint to aluminum factories in Nigeria
- First paint manufacturer to win NIS Award from SON for premium and market quality decorative products.
- First paint Company to win the Nigerian Stock Exchange Merit Award.
- First to develop and supply Thermo setting acrylic paints to local industries.
- First to win the National Merit award for local raw materials utilization in the paints industry.
- First to develop tropicalized and environment friendly paint products to the Nigerian market.
- First to introduce full process tamper-proof containers to the Nigerian market.

Berger Paints Nigeria Plc., with our brand proposition 'Experience Your World in Colour' has always placed innovation, integrity, quality of products & services and the provision of a vast product range at the top of its priorities.

Berger Paints Nigeria Plc is keen on research and development which has resulted in us being known for pioneering new products and setting the pace in the paints and allied coating sector. An example of such specialty products is Berger Fire Retardant Texcote, a textured finish which has been very successful and has been adopted as the generic term for textured paint in Nigeria.

Another first of its kind product in the Nigerian market is Berger Ruffhide, a wall putty with superior adhesive strength and capability over other screeding materials. Our other well-known brands such as Luxol and Superstar continue to have their loyal clientele and enjoy extreme popularity across Nigeria today.

We have outlets (Colour World, Colour Mart) strategically positioned across the geo-political zones which have ample supply of BPN products for immediate purchase or supply. These outlets are managed by 'business partners' with well trained staff, having capability to provide technical evaluation and professional consultation services to corporate and private clientele.

In order to improve customer experience, each Colour World is equipped with ultra-modern colour tinting machines, colour development software and skilled technical personnel with the capability to produce customized colours in sizeable quantities personalized to meet the unique needs of the customer.

Our products

Berger Paints Nigeria Plc products can be summed into the following:

Pre-Decoratives and Primers

These are products to prepare a surface for application of paint and coating products. They are prepared to quality standards to ensure that the surface is properly prepared to give the best painting results. These products include; Ruffhide, Red Oxide Metal Primer, Alkaline Resisting Primer, etc.

Decoratives

The decorative product range covers the architectural and building maintenance coatings used to bring projects to life. The products come in two broad ranges; premium and standard.



CORPORATE PROFILE (CONT'D)

- **The premium decorative brand** is Luxol and comes in Matt (Emulsion), Satin, Silk and Gloss. Our satin product (formerly known as Clinstay) is a premium satin paint that allows for easy cleaning and light scrubbing - due to its nature, it is suitable for internal parts of the home and high traffic areas. As part of our commitment to the environment, we also have our premium satin and matt in eco-friendly variants. This eco friendly variant is available in white colour only for now.
- **The standard decorative brand** is Superstar and comes in Matt, Satin and Gloss.

Marine and Protecton

These are products developed to meet the comprehensive and specialized anti-corrosive needs of the equipment and structure used in the marine industry of Nigeria.

Industrial Coating

These are products to protect equipment and machines from rust and also make them resistant to scratching.

Special Orders

We have the Wood Preservers and Finishes and Autolux- Automotive/Vehicle refinishes available as special orders.

The Automotive range of products are top quality and include top coats used by vehicle assembly plants and the brand Autolux which is a range of high-quality car refinishes available in single and 2 pack and a wide range of colours. The Autolux range also includes primers, Vanish, solid and metallic paints and NC putty. Autolux is the ideal all-purpose refinish enamel and it can be low baked or air dried.

Berger Paints Nigeria Plc also supplies major industries in Nigeria 2-pack auto refinishes products.

Wood Preservers and Finishes include Lignolac and Bergenol. Bergenol is renowned for high quality performance in wood preservation. Lignolac range products includes matt, satin, lacquer gloss, sanding sealer and wood stains and is used in the wood industry for doors and furniture.

Swift Painting

This is a subsidiary of Berger Paints Nigeria Plc that uses Innovative Solutions & Technology, skilled professionals to offer painting services. Swift painting has five differentiating factors:

- Specialized Expertise
- Customized & Personalized Service
- Express Painting Service
- Mechanized and advanced tools
- Post-Project Support

Quality Assurance

Berger Paints is committed to quality ensuring that we exceed our clients' expectations working within relevant regulatory and statutory requirements. Strict attention is paid to our processes to ensure continuous improvement to ensure that we are in accordance with the NIS ISO 9001:2015 standard.



CORPORATE PROFILE (CONT'D)

Marketing and Distribution

To support customer reach, aside from our colour world outlets, our route to market also includes platforms in the digital space. Our products can be ordered through the Berger paints website and delivered to customers within 48 hours. We also have partnerships with Online sales agents which contribute to the growth of our market share.



BOARD OF DIRECTORS



MR ABI AYIDA

CHAIRMAN

Mr. Ayida holds a Bachelor's Degree in Economics from University of Minnesota, USA and a Masters' Degree in Economics from Pennsylvania State University, USA. He has extensive experience in investment banking, insurance, retail and manufacturing industries in the UK, USA and Nigeria. He is the Managing Partner for Vail Woodward Associates, a firm of international business development consultants.

He is also the Managing Partner of Ilare Properties Limited, owners, developers and managers of luxury retail shopping malls. He is a Member of the Institute of Directors and a Member of the Guardian Newspapers Editorial Board.

He joined the Board on 14th December 1999 and was appointed as Chairman of the Board on 7th June, 2018



MR. RAJ MANGTANI

NON-EXECUTIVE DIRECTOR

Mr. Mangtani is an astute businessman and holds a Bachelor's degree in Commerce from University of Bombay. He is a member of the Nigeria Institute of Management and Indian Professionals' Association of Nigeria.

Mr. Mangtani is the Managing Director of Emychem Limited, a leading chemical marketing company. He also serves on the Boards of such notable manufacturing companies as Metcem Limited and Zaika Foods Ingredient Limited as a non-executive director.

He joined the Board as a Non-Executive Director on 10th September, 2002 as an alternate director, and was appointed as a full Non-Executive Director on 16th October, 2014



MR. KUNLE OLOWOKANDE

NON-EXECUTIVE DIRECTOR

Mr. Olowokande is a self-directed finance professional and innovative thinker with a knack for developing creative solutions to complex problems. Dedicated to continuous process improvements in the face of rapidly evolving and changing markets. Extremely results-orientated and proactive in addressing and resolving problems. An experienced business professional with strong leadership and relationship-building skills.

He obtained a Higher National Diploma from the prestigious Yaba College of technology in 2000. He then proceeded to the University of North London (Now called London Metropolitan University) for his MA (Master of Arts) in international Finance. Upon attainment of his MA, he proceeded to the London College of Accountancy for his Association of Certified Chartered Accountants (ACCA) qualification.

Mr. Olowokande joined AETC Ltd in London as group corporate accountant, a position he held till he returned to Nigeria in October 2009. He joined Berger Paints Nigeria Plc in 2010 as Compliance and Risk accountant and later became Head of Strategy and Risk until March 2014.

He is the principal consultant at Austin Fraser Consulting, a firm dedicated to assisting Nigerian companies unlock their latent potential.

He sits on the Board of Berger Paints Nigeria Plc, CAFOA Nigeria Limited and a member of the Institute of Directors.



BOARD OF DIRECTORS (CONT'D)



DR. OGECHI IHEANACHO

NON-EXECUTIVE DIRECTOR

Dr. Ogechi Iheanacho is a legal practitioner with expertise in corporate and commercial law, corporate finance, and governance. She is the managing partner of Formosa Partners, a director on the board of Harmony Trust & Investment Company Ltd and a trustee of the Living Fountain Orphanage, Lagos.

She previously served as legal counsel in the company secretariat of Fidelity Bank Plc., and as financial dealer, Treasury & Funds Management with Associated Discount House Ltd (now Coronation Merchant Bank Ltd).

Dr. Iheanacho graduated with an LLB degree from the University of Westminster, London, where she was awarded the Geoffrey Reeday Prize for Company Law. She also holds a Master's degree in Commercial & Corporate Law (Merit) from the University of London (University College London) and a Ph.D. in Law from the University of Calabar. She is an alumnus of the Maersk International Shipping Education (M.I.S.E.) program of the A.P. Møller/Maersk Group of Denmark. She is a member of the Institute of Directors Nigeria, the Society for Corporate Governance Nigeria and the Nigerian Bar Association. Dr. Iheanacho is also an Associate of the Chartered Governance Institute, UK.



MRS. EREJUWA GBADEBO

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mrs. Gbadebo is a Chartered Architect and Chartered Surveyor with 35 years of international experience in strategic and executive management, project design, and on-site project and program administration, in both the construction and real estate industry. She has undertaken several courses on ethics, finance, law, and the role of Independent Non-Executive Directors as run by the Royal Institution of Chartered Surveyors, UK, the Institute of Directors, Nigeria and Women on Boards, UK. She holds an MBA from Henley Management College, UK, with an emphasis on strategic marketing, and financial and project management.

Mrs. Gbadebo possesses experience in the management and leadership of people, time and resources, plus the coordination of multi-disciplinary external teams of consultants, support staff and contractors. She served as the Chief Executive Officer of Broll Property Services Limited, Nigeria (Broll NG), a subsidiary of Broll Property Services Group (Pty) South Africa, between June 2008 and Sept 2013. She also served as Executive Director of Propose, Design and Implement (PDI) Limited, a boutique real estate consultancy and advisory firm, between October 2013 and January 2015. Thereafter, she served as Managing Director of Alpha Mead Real Estate Partners Limited - a strategic business unit of Alpha Mead Group (formerly Cluttons International Limited- the Nigerian subsidiary of Cluttons LLP, United Kingdom), between January 2015 and January 2020. She is currently the Managing Director of Propose, Design and Implement (PDI) Limited.



MRS. AISHA UMAR

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mrs. Umar is a Legal Practitioner, Notary Public and Social Entrepreneur with vast experience in the public sector, private sector and the academia. She holds a Post in Global Business from Oxford University, and is currently a Doctorate Student at the University of West Scotland-Centre for Africa Research and Enterprise and Economic Development - CAREED, researching Africa's engagement with the World Trade Organization (WTO) and strategies for boosting value added exports from the continent.

Over the past 15 years, Aisha has provided legal and technical advisory services to the Federal and State governments on various projects in the education, transportation, agriculture and water sectors, some of which have been funded by international development agencies including the Department for International Development (DFID) and the World Bank. She also has strong background in agribusiness consultancy and social entrepreneurship. She is the founder of Inara Foundation, a non-governmental organization established to support communities affected by the conflict in North East Nigeria. She is also the CEO of Inara Enterprises, an Agribusiness company promoting trade and value addition of agricultural commodities. Earlier in her career, she was a lecturer on Company and Commercial Law at the prestigious Nigerian Law School, Lagos. She is the co-author of a book entitled Quick Reference Materials on Nigerian Law & Practice - the leading reference book used by legal practitioners and law students.



BOARD OF DIRECTORS (CONT'D)



MRS. ALABA FAGUN

MANAGING DIRECTOR/CEO

Alaba Fagun's extensive background in real estate, spanning various sectors including commercial, residential, institutional, and financial-based projects, positions her as a seasoned professional with a wealth of experience and expertise.

Her journey in the real estate industry began with her architectural education at the University of Lagos, where she obtained a Bachelor of Environmental Science and Bachelor of Architecture degrees with distinction. This academic foundation equipped her with the necessary skills and knowledge to excel in the field.

Starting her career as an architect at Siji Dosekun Partnership in Lagos, Mrs. Fagun gained valuable hands-on experience in architectural design and project management. Her subsequent roles at various architectural and real estate companies, including Architects Co-Partnership in Hertfordshire, United Kingdom, further honed her skills and provided her with diverse perspectives in the industry. In addition, she held several roles, such as the founding Managing Director of UPDC Facility Management Limited (UPDCFM); Head of Facilities Management and Head, Major Projects at Union Bank of Nigeria Plc, Lagos Nigeria; Senior Manager

Properties at Broll Property Services Limited Lagos Nigeria.

Her appointment as the Managing Director/CEO of Berger Paints Nigeria Plc underscores her leadership abilities and strategic vision in steering the company towards its goals. Her membership in professional bodies such as the Institute of Workplace and Facilities Management (IWFM) and the Institute of Directors (IOD) reflects her commitment to staying abreast of industry trends and best practices.

Since assuming the role, she has been instrumental in shaping the company's financial strategy and overall governance framework.



A portrait of Mr. Abi Ayida, a middle-aged Black man with short grey hair, wearing glasses and a dark green pinstriped shirt. He is smiling slightly and looking directly at the camera. The background is a plain, light grey color. At the bottom of the image, there is a yellow gradient bar with a small rainbow-colored logo on the left side.

MR ABI AYIDA
CHAIRMAN

CHAIRMAN'S STATEMENT

Dear distinguished Shareholders,

On behalf of the Directors of our esteemed Company, it is my privilege and honour to extend a warm welcome to you all to the 64th Annual General Meeting (AGM) of Berger Paints Nigeria Plc., convening today, the 14th of May 2024, at the Lagos Marriott Hotel, Ikeja.

As we assemble here today, I am deeply grateful for the opportunity to reflect on the remarkable journey of our Company over the past year.

The 2023 fiscal year presented us with a myriad of challenges and accomplishments. Against the backdrop of the evolving global economic landscape and the economic reforms initiated by the new government, including subsidy removal and the floating of the exchange rate, our business encountered unprecedented hurdles. However, I am proud to announce that Berger Paints Nigeria Plc exhibited remarkable resilience, adaptability, and an unwavering commitment to our valued stakeholders throughout this period.

I am delighted to present to you the comprehensive report of our stewardship for the 2023 financial year. This report encapsulates our collective efforts, achievements, and strategic initiatives undertaken to navigate the challenges and seize the opportunities presented to us.

Additionally, the resolutions to be considered at the meeting and the rationale for these resolutions will be provided in the AGM Information Guide section of this Report.

As we gather today, I am confident that your insights, feedback, and unwavering support will further fortify our resolve to steer Berger Paints Nigeria Plc towards greater heights of success and sustainability.

Performance Overview

Despite the significantly challenging operating environment in 2023, a review of the financial result shows improved performance across all financial indices. Our revenue grew from ₦6.33billion to ₦7.96billion representing a 25% increase. Likewise, the profit for the year was ₦445million, 125% higher than ₦208million which was achieved in the previous year.

“Despite the significantly challenging operating environment in 2023, a review of the financial result shows improved performance across all financial indices. Our revenue grew from ₦6.33billion to ₦7.96billion representing a 25% increase. Likewise, the profit for the year was ₦445million, 125% higher than ₦208million which was achieved in the previous year. //”

I must acknowledge the extraordinary efforts of our Management, staff and business partners to achieve this level of performance. The year was characterised by an unprecedented shortage of foreign exchange from the Central Bank which persists to date. This adversely affected our ability to conduct efficient supply chain management and led to the highest rise in input costs in any 12-month period in our Company's history. I am pleased to report that we were up to the challenge and the investments we have made in our human capital enabled the strategic agility required to successfully navigate and adapt to the new structural landscape. Our results are testament that we are on the right track to emerge as a more nimble and efficient Company for the challenges ahead.

To buttress and sustain our position in the market, improve efficiencies and performance of the business into the future, a number of initiatives are being implemented.

Interim Dividend

During the year under review, your Board authorised the payment of an Interim Dividend of 20 Kobo per share (2022: Nil) to be ratified by shareholders at this General Meeting. The dividend has since been paid. We are proud to announce that this decision was



CHAIRMAN'S STATEMENT (CONT'D)

made in recognition of the difficult economic circumstances we face and the continuing value erosion that makes an annual dividend less impactful.

// During the year under review, your Board authorised the payment of an Interim Dividend of 20 Kobo per share (2022: Nil) to be ratified by shareholders at this General Meeting. The dividend has since been paid. We are proud to announce that this decision was made in recognition of the difficult economic circumstances we face and the continuing value erosion that makes an annual dividend less impactful. This payment was the first in our Company's history and was intended to improve investor confidence and the value of your holdings. You will agree that the intended outcomes were achieved. Many of you have called for this in previous meetings and we have responded. //

This payment was the first in our Company's history and was intended to improve investor confidence and the value of your holdings. You will agree that the intended outcomes were achieved. Many of you have called for this in previous meetings and we have responded.

Final Dividend

The Board is recommending, for your kind approval, the sum of 80 Kobo per share to be paid out as final dividend. This works out at the rate of 100 kobo per share when combined with the interim dividend and represents a 43% increase in dividend paid in the previous financial year.

// The Board is recommending, for your kind approval, the sum of 80 Kobo per share to be paid out as final dividend. This works out at the rate of 100 kobo per share when combined with the interim dividend and represents a 43% increase in dividend paid in the previous financial year. //

If the shareholders approve the recommendation, the dividend will be paid, less withholding tax, to shareholders whose names appear on our Company's Register of Members as at the close of business on April 16 2024.

Market Position

In the face of market uncertainties, Berger Paints Nigeria Plc. maintained its position as a leading player in the paints and coatings industry. Our relentless commitment to innovation, product quality, and customer satisfaction has not only fortified our market presence but also empowered us to seize new opportunities for growth. Currently, Berger Paints operates within the premium and super-premium segments of the market.

To adapt to evolving consumer preferences and capture the attention of younger demographic groups aged 25 to 45, we have undertaken strategic rebranding initiatives. These efforts are aimed at making our offerings more appealing to this target audience.

Despite prevailing market challenges, our latest revenue figures indicate that we have increased our market share. To ensure sustained growth and business resilience, we rely on these five key pillars:

- **Product Innovation:** Continuously introducing innovative products that resonate with our customers' needs and preferences.
- **Market Expansion:** We are committed to expanding our market presence by fostering an agile team capable of penetrating and establishing strong footholds in various market segments.



CHAIRMAN'S STATEMENT (CONT'D)

- **Operational Efficiency:** Striving for operational excellence to optimize our commercial endeavours and effectively meet the demands of our customers.
- **Customer Experience:** Prioritising exceptional customer experiences to foster brand loyalty and affinity, thereby enhancing our competitive edge.
- **Strategic Partnerships:** Forging strategic partnerships to unlock synergies, drive mutual growth, and leverage complementary strengths.

Through these pillars, we aim to not only consolidate our current market position but also to chart a course for sustainable growth and enduring success in the dynamic landscape of the paints and coatings industry.

Sustainability Initiatives

As we reflect on our performance in 2023, it is evident that our commitment to sustainability remains unwavering, serving as a guiding principle in our corporate strategy. Throughout the year, we continued to invest in environmentally friendly practices, community development projects, and initiatives aimed at enhancing the welfare of our employees.

Sustainability is not just a buzzword for us; it is ingrained in every aspect of our operations. We firmly believe that by prioritising sustainability, we not only create long-term value for our stakeholders but also play a significant role in safeguarding our planet for future generations. Our alignment with the UN Sustainable Development Goals is a testament to this commitment, and our actions in 2023 reflected our dedication to these global objectives.

In line with our commitment to employee wellbeing, we conducted regular health and wellness talks, ensuring that our workforce remains healthy and productive. Furthermore, our dedication to gender equality is evident in our organisational structure, with a gender-balanced Board and Management team leading the way.

Education is another area where we believe in making a meaningful impact. In 2023, we celebrated International Teachers Day by rewarding teachers and commemorated the International Day of the Girl Child by painting a school and carrying out an empowerment visit. These initiatives underscore our belief in the transformative power of education in building sustainable communities.

Our focus on industry, innovation, and infrastructure is exemplified by our state-of-the-art automated water-based factory. Additionally, to contribute towards Sustainable Development Goals 11-15, we have implemented various measures to minimise our environmental impact and promote responsible production practices. From conducting periodic environmental audits to championing a paperless work environment, reducing our carbon footprint, and implementing water-efficient systems, we are committed to fostering sustainable cities and communities, preserving the climate, and protecting life on land and below water.

In 2023, we also piloted an industry event focused on achieving sustainability, initiating conversations and collaborations aimed at driving positive change within our industry.

Looking ahead, we remain steadfast in our commitment to sustainability, recognising it as not only a moral imperative but also a strategic necessity. By continuing to integrate sustainability into our business practices, we are confident in our ability to create value for all our stakeholders while contributing towards a more sustainable future.

Flexible Working Practices

I am delighted to announce that our commitment to embracing flexible working practices, including the transition to a four-day work week, continues to be a foundation of our strategic initiatives. In today's rapidly evolving workplace landscape, it is imperative that we adapt to meet the needs of our employees while maximising productivity and satisfaction.



CHAIRMAN'S STATEMENT (CONT'D)

Flexible working practices have emerged as a crucial component of modern workplaces, offering a myriad of benefits for both employees and the organisation as a whole. With the recent challenges faced by employees, including economic hardship and congested commutes, the importance of such practices has only grown more evident.

In response to these challenges and in alignment with the Lagos state government's efforts towards mitigation, we are committed to implementing a variety of flexible working options to accommodate the diverse needs of our workforce:

- **Remote Work:** We will establish policies and provide the necessary technology infrastructure to enable remote work, allowing employees to effectively carry out their responsibilities from the comfort of their homes, particularly during times of heavy traffic or other disruptions.
- **Flextime and Compressed Workweek:** Offering flexible scheduling arrangements will empower employees to tailor their work hours to avoid peak traffic times and alleviate the stress associated with commuting. Additionally, introducing a compressed workweek option will provide further flexibility and time-saving benefits.
- **Technology Investment:** Investment in cutting-edge collaboration tools and communication technologies will be prioritised to facilitate seamless remote work experiences and ensure effective communication and collaboration among our dispersed workforce.
- **Employee Support Programs:** We are committed to implementing comprehensive support programs aimed at assisting employees in managing their work-life balance. This includes initiatives such as childcare assistance, flexible leave policies, and wellness programs designed to promote employee well-being and engagement.

By embracing flexible working practices, Berger Paints Nigeria Plc. is poised to enhance employee satisfaction, productivity and retention, thereby fostering a more resilient and adaptable workforce. Together, we will continue to innovate and evolve, ensuring our organisation remains at the forefront of workplace excellence.

“By embracing flexible working practices, Berger Paints Nigeria Plc. is poised to enhance employee satisfaction, productivity and retention, thereby fostering a more resilient and adaptable workforce. Together, we will continue to innovate and evolve, ensuring our organisation remains at the forefront of workplace excellence.”

Collaborative Work Environment

In 2023, we approved and implemented a total renovation of our office buildings. We have transformed our office interiors into modern open-plan collaborative work spaces with shared services. Brand new furniture, fixtures and lighting have created a bright, welcoming environment for our valued employees. Coupled with our flexible working practices, we continue to demonstrate by action that putting our people first remains our most significant investment.

Regulatory Infractions

For the 2023 financial year, no regulatory infraction was recorded.

Outlook

Looking ahead, we remain cautiously optimistic about the future. While the economic recovery remains uneven, we are confident in the resilience of our business model and our ability to navigate challenges effectively. We will continue to prioritise operational excellence, innovation, and strategic investments to drive sustainable growth and deliver value to our shareholders.



CHAIRMAN'S STATEMENT (CONT'D)

Appreciation

Distinguished shareholders, permit me to acknowledge my fellow Directors. Everything we have achieved is due to their extraordinary dedication and commitment to your Company. This is an exceptional Board and it is an honour to serve with them.

I would like to extend my heartfelt appreciation to our shareholders for their unwavering support and confidence in Berger Paints Nigeria Plc. I also want to express my gratitude to our Management team, employees, customers, business partners, regulatory authorities, and the broader community for their invaluable contributions to our success.

Conclusion

In conclusion, I am proud of the progress we have made and excited about the opportunities that lie ahead. Together, let us continue to build on our legacy of excellence, integrity, and innovation as we chart the course for a brighter future.

Thank you for your continued trust, confidence, and commitment to our shared vision.



Abi Ayida

FRC/2019/IODN/00000019260

Chairman, Board of Directors.





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MANAGEMENT PROFILE



MR. ONYEBUCHI ROBERTS

CHIEF FINANCIAL OFFICER

Mr. Onyebuchi brings a wealth of experience in accounting and finance within the manufacturing industry, spanning over 18 years. His diverse roles in various companies demonstrate his expertise in financial management and his ability to drive operational efficiency.

As a Chartered Accountant (CA) with a B.Sc. in Accounting from Imo State University, Mr. Onyebuchi possesses a strong academic foundation complemented by extensive practical experience in the field.

Starting his career as a Chief Accountant at N.N. Fems Industries Limited, he played a crucial role in implementing Tally Accounting Software and internal control systems, showcasing his proficiency in modernizing accounting processes and ensuring regulatory compliance.

Prior to joining Berger Paints Nigeria Plc, his tenure as Chief Financial Officer of Ethylene Products and Lubricants Limited further solidified his leadership in finance, where he contributed to the success of the company in manufacturing and selling high-quality packaging materials. This experience provided him with insights into the financial intricacies of the manufacturing industry. Whilst at Berger Paints Nigeria, he rose to the position of Acting Chief Finance Officer, where he oversaw the preparation of BPN's IFRS Financial Statements for 2012, 2013, and 2014. He is also credited with operationalizing the Manufacturing Module of Sage ERP and Fixed Assets Module in BPN. His responsibilities in inventory management, cost accounting, and treasury management further showcase his comprehensive skill set in finance.

Overall, his track record of success in financial management within the manufacturing industry positions him as a valuable asset to the organisation.



ENGR. CELESTINE UFUOMA ARUOTURE

CHIEF OPERATING OFFICER

Engr. Celestine Ufuoma Aruoture is a seasoned civil engineer accredited by the Council for the Registration of Engineering in Nigeria (COREN). In pursuit of additional competencies, he attained a master's degree in Facilities Management from the University of Lagos (Nigeria) and an MBA from the University of South Wales (UK).

With close to twenty years of tenure in the financial sector, Celestine has garnered substantial expertise through key roles at First Bank of Nigeria Limited and Union Bank Nigeria Plc. Notable areas of contribution include Facilities Management, Project Management, Business Continuity Management, Building Operations & Maintenance, Procurement Management, Contract & Vendor Management, Occupational Safety & Security, Operational Efficiency, Energy Management, Stakeholder Management, and Team Engagement & Motivation.

Complementing his professional experience, Celestine holds specialized certifications in Data Analytics from Google (US), Supply Chain Management from Rutgers State University (US), and Data Driven Decision Making (DDDM) from the University at Buffalo (US), enabling him to leverage data-driven insights for optimizing business processes.

His membership status with esteemed bodies such as the American Society of Civil Engineers (ASCE), International Facility Management Association (IFMA), and the Nigerian Society of Engineers (NSE) underscore his ongoing commitment to professional updates regarding trends in the facilities and civil engineering industry.

Celestine's leadership acumen, adept problem-solving skills, and unwavering dedication to service excellence have been instrumental in shaping his contributions to the organizational objectives of Berger Paints Nigeria Plc. His emphasis on fostering team cohesion and motivation has culminated in high-performing teams consistently exceeding client expectations and delivering value for the company.



MR. OLAWALE AKINREMI

HEAD, SALES

Mr. Akinremi's extensive experience and progression within the sales department at Berger Paint Nigeria Plc showcase his dedication and proficiency in sales management. With over 16 years in various sales roles, he has accumulated a wealth of expertise in driving sales growth and managing customer relationships.

He obtained a Higher National Diploma in Marketing (HND) from The Polytechnic Ibadan, as well as a Postgraduate Diploma (PGD) and an MBA in Marketing from Ladoko Akintola University of Technology.

His participation in training programs with the Metropolitan School of Business and Management further demonstrates his proactive approach to continuous learning and professional development.

His strengths lie in people and customer management, reflected in his progression through various sales roles, from Area Sales Manager to National Franchise Manager. His goal-driven and result-oriented mindset, coupled with a focus on providing excellent customer service, both internally and externally, contribute to his success in achieving set targets and driving positive changes within the organization.

Mr. Akinremi's outstanding work ethics, commitment to team achievements, and comprehensive knowledge of strategy development, channels management, and communication development further enhance his effectiveness as the Head of Sales. His ability to develop both latent and hard skills within a challenging and competitive environment underscores his dedication to personal and professional growth, making him a valuable asset to Berger Paint Nigeria Plc's sales team.



MANAGEMENT PROFILE (CONT'D)



MRS. OLUWAYEMISI ILILE

HEAD, HUMAN RESOURCES

Oluwayemisi Ilile's journey in human resources reflects her dedication and proficiency in both operational and strategic HR functions across diverse sectors of the Nigerian economy.

Mrs. Ilile's educational background, including a Bachelor of Science degree in Economics from the University of Lagos, coupled with her professional certifications as an Associate of the Chartered Institute of Personnel Management of Nigeria (ACIPM) and a Senior Professional in Human Resources International (SPHRi) from the HR Certification Institute.

Starting her career as a HR & Admin Officer at Multiverse Resources Plc, Mrs. Ilile gained early exposure to HR management while working closely with top executives such as the Company Secretary, Managing Director and Executive Director. This experience early on in her career quickly prepared her for leadership and honed her people management skills. Moving on to HealthPlus Pharmacy and CasaBella International Limited, she expanded her expertise in various HR functions such as compensation and benefits, learning and development, and employee services. As Head of Human Resources at Meristem Securities Limited, Mrs. Ilile took on more strategic responsibilities, including talent management, succession planning, performance management, and organizational development. Before joining Berger Paints Plc, she served as the Head of Human Resources at Globe Broadcasting and Communications Limited, further enhancing her experience in managing HR functions within the media sector.

Additionally, her involvement as a volunteer Coach, Mentor, and Facilitator with WAVE Academy demonstrates her dedication to giving back to the community and nurturing future HR professionals.

Joining Berger Paints Plc as Head of Human Resources, she brings with her a wealth of experience and expertise in both operational and strategic HR functions, positioning her to make significant contributions to the company's HR strategy and objectives.



MRS. OMOLARA BELLO

COMPANY SECRETARY/LEGAL ADVISER

Omolara Bello, currently serving as the Company Secretary/Legal Adviser, commenced her tenure at Berger Paints Nigeria on February 15, 2023. She has had a rich and varied career in the legal field, demonstrating a strong academic background and practical experience in both local and international settings. Her journey showcases a commitment to continuous learning and professional development.

She holds an LLB degree from Olabisi Onabanjo University, obtained in 2003, and was called to the Bar in November 2005. In 2007, she furthered her studies and earned an LLM in International and Commercial Law from the University of Buckingham, where she received the Morayo Atoki Prize for her outstanding academic performance and contributions to the LLM program.

Prior to joining Berger Paints Nigeria Plc, her tenure at Gans and Co. Solicitors provided her with foundational experience as an associate. Upon returning to Nigeria in 2011, she briefly served as an Auditor at the Internal Revenue Service in Lagos State. From November 2013 to 2017, she served as the pioneering Head of Claims at Sifax Ports and Cargo Handling Services Limited, a subsidiary of the SIFAX Group. During her tenure, Mrs. Bello adeptly negotiated numerous contentious claims, significantly contributing to the company's success. Throughout her career, she has demonstrated astute legal expertise, participating in various training sessions and seminars both locally and internationally.

In addition to her work experience, in 2018, Mrs. Bello transitioned to Skyway Aviation Handling Company Plc as the Head of Legal Services and Company Secretary. In this role, she provided invaluable legal advisory support and guidance to the CEO, alongside fulfilling company secretarial duties.

Mrs. Bello is an active member of the Nigerian Bar Association, leveraging her expertise to enhance legal compliance and governance within the organisations she serves.



MR. OPEYEMI SUBAIR

HEAD, INTERNAL CONTROL

Opeyemi Subair is an experienced finance, audit & control professional with a demonstrated history of work experience cutting through several industries such as Aviation, Real Estates, Agriculture, Consulting, Manufacturing & FMCG, Construction and Entertainment Industry highlights his versatility and proficiency in financial management.

His educational background, including a degree in Accounting from Crescent University, Abeokuta, and an MBA from the National Open University of Nigeria, combined with his Chartered Accountant certification from the Institute of Chartered Accountants of Nigeria, underpin his expertise in financial reporting, internal audit/control, risk management, and corporate governance review (Board Appraisal), treasury operations, fraud & investigation, corporate intelligence (background search), regulatory compliance, accounting and advisory services.

Beginning his professional career at Medview Airline as an audit assistant where he was actively involved in Forensic, Internal and External Audit reviews of various clients and service providers of the company interfacing with both middle and top-level management before proceeding to Clayfields and Harrows Limited where he was involved in process review, process documentation, fraud investigation and risk management. He also worked with De United Foods and Industries Limited (DUFIL) as a Senior Finance Supervisor where he was saddled with the responsibility of setting up the finance department, process documentations and project finance monitoring.

Prior to joining Berger Paints Plc (BPN), Subair served as the Group Manager of Internal Control, Audit & Compliance for Filmhouse Group, where he established and led the internal audit, compliance, and investigations department. His role at Arbico Plc as Finance Manager involved reorganizing the finance department, managing tax, procurement, and inventory, ensuring regulatory compliance, and preparing financial statements.

He is a member of the Nigerian Institute of Management, Institute of Internal Auditors (IIA) and also a member of Audit and Control Professionals.

Overall, Mr. Subair's multifaceted experience and expertise make him a valuable asset in finance, audit, and control roles, contributing to the success and growth of the organization.



MANAGEMENT PROFILE (CONT'D)



MS. PECULIAR OKAFOR

HEAD, MARKETING

Peculiar Okafor is an experienced marketing and commercial leader with work experience across advertising, FMCG, International NGO and Manufacturing sectors.

Her educational background includes an MBA from Business School Netherlands, professional training from prestigious institutions such as the Lagos Business School, London School of Business and Finance, and the Digital Marketing Institute.

Beginning her journey as a management trainee with the Troyka Group, Peculiar gained foundational experience in advertising and integrated marketing communications while working at Insight Communications. This experience equipped her with a solid understanding of consumer behavior and brand management. Transitioning to JMG as an assistant marketing manager and a marketing manager at Hello Products Limited showcased her ability to develop and execute marketing campaigns that drive brand awareness and customer engagement.

Prior to joining Berger Paints Nigeria Plc, she was a Trade Marketing Manager with Mariestopes where she expanded her skill set by managing marketing and trade activities for the social marketing directorate. This role provided her with valuable experience in both traditional and unconventional marketing strategies, given the unique challenges of marketing in the NGO sector.

Throughout her career, she has been recognized for her sense of ownership and ability to develop clutter cutting marketing solutions that deliver return on investment while driving profitability and business objectives.





MRS ALABA FAGUN
MANAGING DIRECTOR



MD/CEO'S STATEMENT

Distinguished shareholders, members of the Board, ladies, and gentlemen,

Welcome to the 64th Annual General Meeting of Berger Paints Nigeria Plc (BPN "Company") at which we will present your Company's operational and financial performance for the year ended 31 December 2023.

Key Highlights:

In the course of the year, our profit after tax experienced a significant surge of 125%, ascending from ₦208 million in 2022 to an impressive ₦445 million in 2023. This substantial growth not only attests to the resilience of Berger Paints in the face of adversities but also highlights the operational efficiency embedded within our organisational fabric.

Beyond the quantitative achievements, our success story in 2023 was intricately woven with qualitative advancements. We are pleased by the market's reaction to our performance trajectory. In the period under review, our share price increased by 116% - escalating from ₦6 in December 2022 to ₦13 by December 2023. As at 02 April, 2024, BPNs share price stood at ₦17.

This achievement is a testament to the synergistic collaboration between our adept workforce and the strategic vision set forth by the leadership. By fortifying our market position and continually refining our brand image, we have not only weathered the challenges but have also positioned Berger Paints as a noteworthy player in the industry, driving shareholder value and instilling confidence in our stakeholders.

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As we reflect on these achievements, it is evident that the success of Berger Paints in 2023 is due to a harmonious blend of financial acumen, operational resilience, and strategic foresight. With the momentum gained, we look forward to building upon these accomplishments, fostering sustainable growth, and delivering enduring value to our esteemed shareholders.

Our 2023 Financial Performance

We closed the financial year with the following growth figures:

- Total earnings increased by 25% from ₦6.3 billion in the previous financial year to ₦7.9 billion in the period under review.
- Profit before tax increased by 125% from ₦355million in 2022 to ₦776million in the period under review while Profit after tax grew by 125% to close at ₦445 million.

Challenges Faced:

The fiscal year 2023 presented global challenges impacting industries worldwide, notably the disruption in the global supply chain due to the escalation of the conflict in Ukraine. Geopolitical tensions led to a surge in raw material prices, affecting operational costs globally.



MD/CEO'S STATEMENT (CONT'D)

On the domestic front, Nigeria was faced with economic uncertainties, regulatory changes, and infrastructural limitations. The lingering effects of the COVID-19 pandemic disrupted business operations, causing market instability, general inflation, and reduced purchasing power, particularly affecting decorative products. Additionally, a notable brain drain affected the company as some team members sought opportunities overseas.

Security concerns in specific regions of Nigeria posed logistical challenges, jeopardizing the safety of our personnel and goods in transit, resulting in escalated logistics pricing and extended delivery times for distribution.

Another critical challenge within our operating environment was the impact of foreign exchange availability and pricing on our key raw materials.

Business outlook for 2024:

Looking ahead to 2024, we approach the evolving global and local landscape with cautious optimism, armed with agility and foresight. Our dedication to continuously delivering value to shareholders remains steadfast, and we will actively pursue opportunities for growth and expansion.

In conclusion, I express my deepest appreciation to our shareholders for their unwavering support, my special gratitude goes to our customers for their patronage and loyalty, and to our staff, our greatest assets, for continuously helping us bring our vision - making Africans experience their worlds in colour.



Alaba Fagun

FRC/2023/PRO/DIR/003/234540

Managing Director/CEO.





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NOTICE OF 64TH ANNUAL GENERAL MEETING

Notice is hereby given that the 64th Annual General Meeting (AGM) of Berger Paints Nigeria Plc. will be held at Lagos Marriott Hotel Ikeja, 122 Joel Ogunnaike Street, Ikeja GRA, Lagos State on Tuesday, 14 May 2024 at 11:00 a.m., or so soon thereafter, to transact the following business:

Ordinary Business

1. To receive the Audited Financial Statements for the year ended 31 December 2023, together with the reports of the Directors, Auditors, Board Appraisers and Audit Committee thereon.
2. To declare a final dividend.
3. To re-elect the following Directors retiring by rotation:
 - a. Mr. Abi Ayida.
 - b. Mr. Adekunle Olowokande.
4. To appoint Auditors of the Company.
5. To authorise the Directors to fix the remuneration of the Auditors.
6. To disclose the remuneration of the Managers of the Company.
7. To elect members of the Audit Committee.

Special Business

8. To approve the remuneration of Directors.
9. To consider and if thought fit, pass the following resolution as an ordinary resolution of the Company:

'That the general mandate given to the Company to enter into recurrent transactions of a revenue or trading nature with related parties or interested persons for the Company's day-to-day operations, be and is hereby renewed.'

Notes

I. Proxies

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her/its stead. A proxy need not be a member of the Company. A proxy form is attached to the Annual Report and Accounts. It may also be downloaded on the Company's website.

All instruments of proxy should be completed, duly stamped and deposited at the office of the Company's Registrars, Meristem Registrars and Probate Services Limited (Registrars) at 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos State or via email to info@meristemregistrars.com, not later than 48 hours before the time of holding the meeting.

The Company has made arrangements at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

II. Live Streaming of Meeting

Shareholders will also be able to participate electronically through the Company's Youtube Channel where the meeting shall be streamed live and comments noted. The link for the live streaming will be made available on the Company's website.



NOTICE OF 64TH ANNUAL GENERAL MEETING (CONT'D)

III. Closure of Register of Members and Transfer Books

The Register of Members and Transfer Books of the Company will be closed from Wednesday, 17 April 2024 to Tuesday, 23 April 2024 (both days inclusive) for the purpose of updating the Register of Members.

IV. Proposed Dividend/Payment Date

The Board of Directors of the Company are recommending a final dividend of 80 kobo per every 50 kobo ordinary share, payable less Withholding Tax. If the recommendation is approved at the meeting, the dividend will be paid electronically on 14 May 2024, to shareholders whose names appear on the Register of Members as of 16 April 2024, and who have completed the e-dividend registration and mandated the Registrars to pay their dividends directly into their bank accounts. With the interim dividend of 20 kobo per every 50 kobo ordinary share, earlier paid to shareholders less Withholding Tax, this brings the total dividend paid for the 2023 financial year to 100 kobo per every 50 kobo ordinary share.

Therefore, shareholders are advised to forward particulars of their account details to the Registrars to enable direct credit of their dividends on 14 May 2024.

V. Unclaimed Share Certificates and Dividend Warrants

Shareholders are hereby informed that a number of share certificates and dividend warrants have been returned to the Registrars as 'unclaimed'. Any shareholder affected by this notice is advised to contact the Company's Registrars, Meristem Registrars and Probate Services Limited, 213 Herbert Macaulay Way, Adekunle Yaba, Lagos State, for resolution.

VI. E-Dividend

Shareholders are kindly requested to update their records and advise the Registrars of their updated records and relevant bank accounts for payment of their dividends.

Detachable forms in respect of mandate for e-dividend payment, and shareholder data update are attached to the Annual Report for convenience. The forms can be downloaded from Meristem Registrars & Investors Services Limited's website at www.meristemregistrars.com.

The duly completed forms should be delivered to Meristem Registrars & Investors Services Limited at 213 Herbert Macaulay Way, Adekunle Yaba, Lagos State.

VII. Nominations to the Audit Committee

In accordance with Section 404 (2) of the Companies and Allied Matters Act 2020, any member may nominate a shareholder as a member of the Audit Committee, by giving notice in writing, of such nomination to reach the Company Secretary at least 21 days before the Annual General Meeting.

VIII. Re-Election of Directors

Mr. Abi Ayida and Mr. Adekunle Olowokande are both retiring by rotation at this meeting in line with Section 285 of CAMA 2020. The retiring Directors, being eligible, are offering themselves for re-election as Directors at the AGM. The profiles of the Directors are contained in the Annual Report, which may be electronically downloaded at www.bergerpaintsnig.com.

IX. General Mandate

In line with the Nigerian Exchange Limited Rules on transactions with Related Parties, the Company is required to seek a renewal of the general mandate from shareholders as per item 9 of the agenda above. Members had unanimously given a general mandate to the Company at the last Annual General Meeting to enable it enter into related party transactions for the Company's day-to-day operations. The interested person shall abstain, and has undertaken to ensure that its associates shall abstain, from voting on the resolution approving the transaction. This is in line with Rule 20.8 (C8) of the



NOTICE OF 64TH ANNUAL GENERAL MEETING (CONT'D)

Rules Governing Transactions with Related Parties or Interested Persons, Rulebook of Nigerian Exchange Limited (NGX) 2015, Issuers' Rule

X. Electronic Annual Report

The electronic version of the Annual Report will be available online for viewing and download from the Company website at www.bergerpaintsnig.com. Shareholders who have provided their email addresses to the Registrar will receive the electronic version of the Annual Reports via email. Furthermore, shareholders who are interested in the receiving the electronic version of the Annual Report should request via email to info@meristemregistrars.com or customercare@bergerpaintsnig.com.

XI. Rights of Securities Holders

Shareholders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such written questions must be submitted to the Company Secretary/Legal Adviser, on or before 6 May, 2024.

XII. Profile of Directors

The profiles of all Directors are available for viewing on the Company's website at www.bergerpaintsnig.com.

Dated the 12th Day of April, 2024.

By Order of the Board



Omolara Bello
Company Secretary/Legal Adviser
FRC/2019/NBA/00000019782
102 Oba Akran Avenue,
Ikeja, Lagos State.



INFORMATION GUIDE FOR THE 64TH ANNUAL GENERAL MEETING

Dear Shareholders,

We welcome you to the 64th Annual General Meeting (AGM) of our esteemed company, which is holding at at Lagos Marriott Hotel Ikeja, 122 Joel Ogunnaike Street, Ikeja GRA, Lagos State on Tuesday, 14 May 2024, at 11:00 a.m. The proposed resolutions along with the rationale for the proposed resolutions are hereinafter detailed.

At the meeting, you will be asked to vote in favor of the following resolutions;

1. RESOLUTION ON REPORTS AND ACCOUNTS

Resolution

"That the Audited Accounts for the financial year ended 31 December, 2023, together with the reports of the Directors, Auditors, Board Appraisers, and Audit Committee submitted to the meeting be received"

Rationale

This resolution is predicated on the requirements of Section 377 (1) of the Companies and Allied Matters Act, 2020 ('CAMA') which makes it mandatory for the Directors of Berger Paints Nigeria Plc. ('BPN' or 'the Company') to prepare Financial Statements for each year. In line with this provision, the 2023 Audited Financial Statements have been prepared and included in the 2023 Annual Report and Accounts which has been circulated to you. The Report also contains the Auditor's Report, the Audit Committee's Report, the Director's Report, and the report of the External Consultants on the 2023 Board Appraisal.

The 2023 Audited Financial Statements gives an overview of the financial performance of the Company for the year ended 31 December, 2023. The Annual Accounts and Reports which also contain the Auditor's Report will be read before you at this meeting and is open for the inspection of any member.

Similarly, the Audit Committee, on which you have your representatives, is required by CAMA 2020 to make recommendations to the General Meeting on the company's performance and will be presenting its report accordingly.

The Director's Report, which will also be presented to you at the meeting, is required under Section 377 (2) (f) of CAMA 2020 to contain the following issues in respect of the Company:

- i. A fair view of the development of the business of the Company and its subsidiaries during the year and their position at the end of it;
- ii. The amount (if any) which they recommend should be paid as a dividend and the amount (if any) which they propose to carry to reserves;
- iii. The names of the persons who, at any time during the year, were directors of the Company and the financial activities of the Company and its subsidiaries in the course of the year and any significant change in those activities in the year;
- iv. Director's interest in the Shares of the Company;
- v. Donations given by the Company within the financial year;
- vi. Information relative to the employment, training, and advancement of disabled persons;
- vii. Information relative to the health, safety, and welfare at work of the employees of the Company;
- viii. Information on Committees of the Board and its membership.

Finally, the report of the External Consultant's Appraisal report on the Board's performance will be presented to you to give you an overview of the Board's stewardship for the year under review.

In addition to the aforementioned reports being statutorily required, the Annual Report seeks to give shareholders a clear picture of our Company's performance for the outgoing financial year.

We urge you to vote in support of the motion to receive these reports and the audited financial statements.



INFORMATION GUIDE FOR THE 64TH ANNUAL GENERAL MEETING (CONT'D)

2. RESOLUTION ON DIVIDEND PAYABLE

Resolution

"That a total dividend of ₦289,823,447 (Two Hundred and Eighty-Nine million, Eight Hundred and Twenty-Three Thousand, Four Hundred and Forty-Four Naira) which translates to 100 kobo per each 50 kobo ordinary share of the Company held, subject to withholding tax, is hereby declared in respect of the year ended 31 December, 2023. Having earlier paid an interim dividend of ₦57,964,689.40 (Fifty-Seven Million, Nine Hundred and Sixty-Four Thousand, Six Hundred and Eighty-Nine Naira) which translates to 20 kobo per each 50 kobo ordinary share of the Company held, subject to withholding tax, the final dividend payment of ₦231,858,757.60 (Two Hundred and Thirty-One Million, Eight Hundred and Fifty-Eight Thousand, Seven Hundred and Fifty-Seven Naira, Sixty Kobo) which translates to 80 kobo per each 50 kobo ordinary share of the Company held, subject to withholding tax, to shareholders whose names appear on our Company's Register of Members as at the close of business on 16 April 2024, be hereby approved."

Rationale

According to the provisions of Section 426 (1) of CAMA 2020, the Company may, in general meeting, declare dividends in respect of any year or other period only on the recommendation of the Directors. Section 426 (3) further provides that the General Meeting shall have the power to decrease the amount of dividend recommended by the Directors but shall have no power to increase the recommended amount.

The Board of Directors has recommended the payment of the sum of ₦289,823,447 (Two Hundred and Eighty-Nine million, Eight Hundred and Twenty-Three Thousand, Four Hundred and Forty-Four Naira), out of the distributable reserve of the Company as total dividend in respect of the financial year ended 31 December 2023. This translates to 100 kobo per each 50 kobo ordinary share of the Company held, subject to withholding tax.

Please note that, of the recommended total dividend, the sum of ₦57,964,689.40 (Fifty-Seven Million, Nine Hundred and Sixty-Four Thousand, Six Hundred and Eighty-Nine Naira) which translates to 20 kobo per each 50 kobo ordinary share, subject to withholding tax, was earlier paid as interim dividend to shareholders during the 2023 financial year. Therefore, if this resolution is approved, the sum of ₦231,858,757.60 (Two Hundred and Thirty-One Million, Eight Hundred and Fifty-Eight Thousand, Seven Hundred and Fifty-Seven Naira, Sixty Kobo), which translates to 80 kobo per each 50 kobo ordinary share, subject to withholding tax, shall be paid as final dividend.

Kindly vote in support of the motion to approve the payment of the proposed Dividend.

3. RESOLUTION ON RE-ELECTION OF DIRECTORS

Resolution(s)

- 4a. *"That Mr. Abi Ayida, who having retired by rotation, being eligible and having offered himself for re-election, is duly re-elected!"***
- 4b. *"That Mr. Adekunle Olowokande, who having retired by rotation, being eligible and having offered himself for re-election, is duly re-elected!"***

Rationale

Section 285 of CAMA 2020 provides that unless there is a contrary provision in the Articles of Association of a Company, all the directors of the company shall at the first Annual General Meeting (AGM) retire from office and at subsequent AGMs, one-third of the directors, or if their number is not three or a multiple of three, the number nearest to one-third shall retire.

In line with this provision, one-third of the Board of Directors have always retired at every AGM. In view of the aforementioned statutory provision, two directors will be retiring at this meeting. They are Mr. Abi Ayida and Mr. Adekunle Olowokande.

The instant resolution, therefore, is for you to re-elect Mr. Abi Ayida and Mr. Adekunle Olowokande who will be retiring



INFORMATION GUIDE FOR THE 64TH ANNUAL GENERAL MEETING (CONT'D)

from the Board in line with Board rotation. Their profiles are detailed in this Report.

In view of the foregoing, we urge you to vote in support of the motion to re-elect Mr. Abi Ayida and Mr. Adekunle Olowokande to the Board as Directors.

4. RESOLUTION ON THE APPOINTMENT OF AUDITOR

Resolution

"That Pannell Kerr Forster Professional Services be hereby appointed as External Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting"

Rationale

Section 401(1) of CAMA 2020 provides that every company shall at each Annual General Meeting (AGM), appoint an auditor or auditors to audit the financial statements of the company, and to hold office from the conclusion of that, until the conclusion of the next AGM. In line with the referenced provision of CAMA 2020, it is usual practice to ask the General Meeting to approve the appointment of a new Auditor of the Company. Section 401(2) of CAMA 2020 also provides that, at any AGM, a retiring auditor, however appointed, shall be re-appointed without any resolution being passed.

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office, have concluded their tenure as Auditors of the Company. The firm of Pannell Kerr Forster Professional Services has indicated their willingness to commence their tenure in office as independent Auditors of the Company. Upon your approval of this resolution and in line with the provision of Section 401(2) of CAMA 2020, Pannell Kerr Forster Professional Services shall be re-appointed at subsequent AGMs without any resolution being passed.

We urge you to vote in support of the motion to appoint Pannell Kerr Forster Professional Services as the External Auditor of the Company.

5. RESOLUTION ON REMUNERATION AND EXPENSES OF THE COMPANY'S AUDITOR

Resolution

"That the remuneration and expenses of the Company's Auditor, Pannell Kerr Forster Professional Services, be fixed by the Directors in respect of the period ending at the end of the next Annual General Meeting."

Rationale

Section 408(1) (b) of CAMA 2020 provides that the remuneration of Auditors may be fixed by the Company in General Meeting or in such manner as the company in General Meeting may determine. In line with the referenced provision of CAMA 2020, it is usual practice to ask the General Meeting to authorise the Board to negotiate and fix the remuneration of the External Auditor.

The Board will be guided in this regard by the Audit Committee in line with the provisions of Section 404 (7) (e) of CAMA which provides that the Audit Committee shall make recommendations to the Board with regards to the appointment, removal and remuneration of the company's External Auditors. The Company's newly appointed External Auditor is Pannell Kerr Forster Professional Services.

We therefore urge you to vote in support of the motion to authorise the Directors to fix the remuneration and expenses of the Company's Auditor, Pannell Kerr Forster Professional Services, in respect of the period ending at the end of the next Annual General Meeting.

6. TO DISCLOSE THE REMUNERATION OF THE MANAGERS OF THE COMPANY

Resolution

"The Directors hereby disclose that the remuneration for the Managers of the business for the 2023 financial year was



INFORMATION GUIDE FOR THE 64TH ANNUAL GENERAL MEETING (CONT'D)

₦117,592,785.39 (One Hundred and Seventeen Million, Five Hundred and Ninety-Two Thousand, Seven Hundred and Eighty-Five Naira, Thirty-Nine Kobo)."

Rationale

One of the provisions of CAMA 2020 is the requirement for the disclosure of the remuneration of managers of a company to be added as part of the ordinary business to be transacted at an Annual General Meeting. Section 257 of CAMA 2020 provides that the remuneration of the managers of the business should be disclosed to the members of the Company at the AGM whilst section 238 of CAMA 2020 provides that it should be treated as an ordinary business.

For the 2023 financial year, a total sum of ₦117,592,785.39 (One Hundred and Seventeen Million, Five Hundred and Ninety-Two Thousand, Seven Hundred and Eighty-Five Naira, Thirty-Nine Kobo) was paid to the managers of the business. No resolution is expected to be taken on this item.

7. RESOLUTION ON APPOINTMENT OF STATUTORY AUDIT COMMITTEE

Resolution

"Shareholders are requested to vote to elect the following nominees to serve on the Audit Committee for the current financial year:"

- | | | |
|----|----------------------|------------------------------|
| 1. | _____ | (Shareholder Representative) |
| 2. | _____ | (Shareholder Representative) |
| 3. | _____ | (Shareholder Representative) |
| 4. | Dr. Ogechi Iheanacho | (Director) |
| 5. | Mr. Kunle Olowokande | (Director) |

Rationale

According to the provisions of Section 404(2) of CAMA 2020, all public companies are mandated to have Statutory Audit Committees (SAC) to ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices. Section 404(3) of CAMA 2020 provides that the Committee shall have a maximum of five (5) members including three (3) shareholder representatives and two (2) Non-Executive Directors.

In accordance with Section 404(6) of CAMA 2020, any shareholder may nominate another shareholder for appointment to the Audit Committee. Such nomination should be in writing and must reach the Company Secretary not less than 21 days before the AGM. The Code of Corporate Governance of the Securities and Exchange Commission indicates that some of the members of the SAC Committee should have basic financial literacy and be knowledgeable in internal control processes.

The statutory duties and role of the SAC are enumerated in Section 404 (4) and (7) of CAMA 2020 to include the following:

- I. Examine the auditor's report and make recommendations thereon to the annual general meeting as it may deem fit.
- II. Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- III. Review the scope and planning of audit requirements;
- IV. Review the findings on management matters in conjunction with the external auditor and departmental responses thereon (Management Letter);
- V. Keep under review the effectiveness of the Company's system of accounting and internal control;
- VI. Make recommendations to the Board on the appointment, removal and remuneration of the external auditors of the Company, ensuring the independence and objectivity of the external auditors and that there is no conflict of interest that could impair the independent judgment of the external auditors;
- VII. Authorise the Internal Auditor to carry out investigations into any activity of the Company which may be of interest or concern to the committee; and



INFORMATION GUIDE FOR THE 64TH ANNUAL GENERAL MEETING (CONT'D)

- VIII. Assist in the oversight of the integrity of the Company's financial statements and establish and develop the internal audit function.

At the meeting, there will be an election (by showing of hands only) to elect three shareholder representatives to serve on the SAC for the 2023 financial year.

In addition to the three representatives of the shareholders to be elected at the meeting, the following two members of the Board who are not subject to elections, are being proposed as the two designated Board members of the SAC for the 2023 financial year:

1. Dr. Ogechi Iheanacho
2. Mr. Kunle Olowokande

The profiles of the nominated directors to serve on the Statutory Audit Committee are outlined in this report.

We urge you to vote in support of the motion to vote the elected shareholder representatives and Board nominees to serve on the Statutory Audit Committee for the current financial year.

8. RESOLUTION TO APPROVE THE REMUNERATION OF THE DIRECTORS

Resolution

"That the Board of Directors be authorised to fix the remuneration of the Directors subject to the combined remuneration/compensation package for the Board of Directors being at a sum not exceeding ₦150,000,000.00 (One Hundred and Fifty Million Naira Only) and disclose in the annual Audited Financial Statements."

Rationale

Section 293 of CAMA provides that the remuneration of the Directors shall, from time to time, be determined by the Company in general meeting and such remuneration is deemed to accrue from day to day.

We therefore urge you to vote in support of the resolution above.

9. RESOLUTION TO APPROVE THE RENEWAL OF GENERAL MANDATE ON RECURRING RELATED PARTY TRANSACTIONS

Resolution

"That the general mandate given to the Company to enter into recurrent transactions of a revenue or trading nature with related parties or interested persons for the Company's day-to-day operations, be and is hereby renewed"

Rationale

Rule 20.8 of the Nigerian Exchange Limited (NGX)'s General Mandate provides that an ordinary resolution may be passed by shareholders which will grant the Board and Management the authority to enter into recurrent related party transactions of revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses.

You will recall that authorisation was given at previous AGMs. However, in line with the rules of the Exchange, the general mandate is subject to annual renewal. Hence, the need for the shareholders to renew the general mandate.

Shareholders are therefore urged to vote in support of the resolution above.



DIRECTORS' REPORT

The Directors are pleased to present to the distinguished members this Annual Report, together with the Audited Consolidated and Separate Financial Statements and the independent auditor's report for the year ended 31 December 2023. The Directors have considered all the matters brought before them in the financial year under review, and they are satisfied that the Directors' Report represents a fair, balanced and realistic view of events.

1. Legal status

The Company was incorporated in Nigeria as a private limited liability company on 9 January, 1959 and was converted to a public limited liability Company in 1973. The Company's shares were quoted on the Nigerian Stock Exchange with effect from 14 March 1974.

The Company incorporated a Subsidiary, Swift Painting Nigeria Limited, on 9 April 2022.

2. Principal activities

The principal activities of the Company remained the manufacturing and marketing of paints and allied products. The Company also holds an investment property.

The principal activity of the subsidiary is rendering of professional painting services with the use of modern technology. They also provides technical support, trained applicators, mechanized tools and advanced products for cleaner and better paint results in homes, offices and factories.

3. Operating results

Information relating to changes during the year is indicated in the notes to the financial statements. The summary of the results is as follows:

<i>In thousands of naira</i>	2023		2022
	Group	Company	Company
Revenue	7,967,546	7,910,181	6,331,634
Operating profit	751,277	774,744	386,022
Profit before minimum tax	776,316	799,783	387,790
Profit before income tax	776,316	799,783	355,579
Profit for the year	445,330	468,797	208,670
Total comprehensive income for the year	445,330	468,797	208,670

4. Dividend

The directors are pleased to recommend to shareholders the payment of a final dividend of 80 kobo per share for the 2023 financial year (2022: 70 kobo per share) which amounts to ₦231,858,757.60 (2022: ₦202,876,413), subject to the approval of the members at the Annual General Meeting. If approved, the dividend is payable less withholding tax to all members whose names appear in the Company's Register of members as at the close of business on April 16, 2024. The directors seek ratification by the members for the interim dividend of 20 kobo per share (2022: Nil) in the amount of ₦57,964,689.40, approved by the Board and paid during the year.

5. Corporate Governance

Whistleblowing

The Board encourages the exposure of unethical practices and all reported cases are investigated while the whistle blower is protected. Our Whistle Blowing Policy is displayed throughout our premises and on our website. Berger Paints Nigeria Plc. conducts its business with integrity and diligence and with total consideration for the interest of the shareholders and other stakeholders.



DIRECTORS' REPORT (CONT'D)

Respect For Law

Berger Paints Nigeria Plc. ensures that its existence and operations remain within the law and its employees are required to comply with the laws and regulations of Nigeria. To this end, the Company has a Code of Ethics which is publicly available and subscribed to by directors, staff and contractors. The Company, being a listed Company strives to comply with all laws and regulations, including post-listing requirements of the Nigerian Stock Exchange and the Rules and Regulations of the Securities and Exchange Commission, as well as the Code of Corporate Governance. To this end, returns were made periodically to the relevant regulatory authorities as and when due.

Role In The Larger Society

Berger Paints Nigeria Plc. remains undisputedly, a leading paints manufacturer in this country, and as an integral part of the Nigerian society, the Company plays numerous roles.

Apart from being a major employer of labour, Berger Paints is a supplier, a partner as well as a willing and uncompromising taxpayer. In doing all these, the Company impacts on the society in no small way. The Company's relationship with the shareholders and stakeholders is cordial and objective.

Integrity

The Company strives to maintain the highest standards of integrity in its operations. Accordingly, the Company condemns and does not give nor receive directly or otherwise any bribes, gratifications or obtain improper advantages for any business or financial gains. It is our policy to avoid any situation that will impact negatively on our operations.

6. Board of directors

(i) Composition of the Board and Attendance at Meetings

During the year under review, the Company was managed by a Board of seven (7) Directors consisting of two (2) Independent Non-Executive Directors, four (4) Non- Executive Directors (which included the Chairman) and one (1) Executive Director (i.e. the Managing Director). The Board met five (5) times in 2023. In compliance with Section 284(2) of the Companies and Allied Matters Act, 2020, the Record of Directors' attendance at Board meetings is exhibited for inspection at the meeting. It is summarised hereunder:

S/N	Name	24-Jan 23	28-Mar 23	26-Jul 23	24-Oct 23	23-Nov 23	No.(5) 23
1	Mr. Abi Ayida	P	P	P	P	P	5
2	Mr. Adekunle Olowokande	P	P	P	P	P	5
3	Dr. Ogechi Iheanacho	P	P	P	P	P	5
4	Mr. Raj Mangtani	P	A	A	A	P	2
5	Mrs. Erejuwa Gbadebo	P	P	P	P	P	5
6	Mrs. Aisha Umar	P	P	P	P	P	5
7	Mrs. Alaba Fagun	P	P	P	P	P	5

P - Present, A - Apology

(ii) Board Changes

Appointment Process - The Board appointment process is guided by an ethical and transparent process in line with best practices and extant regulations. Directors are selected on the basis of skills, expertise and experience, among other considerations. The Board Establishment, Remuneration and Governance Committee is saddled with the responsibility of identifying, considering and recommending potential directors to the Board. Upon confirmation by the Board, they are thereafter presented to the shareholders for approval.

During the year under review, Mrs. Erejuwa Gbadebo and Mrs. Aisha Umar retired by rotation and were re-



DIRECTORS' REPORT (CONT'D)

elected by the Shareholders at the 2023 Annual General Meeting.

(iii) Board Training

Directors have the opportunity to attend programs, relating to governance and business practices, as part of their continuing education. For the 2023 financial year, the directors attended the following trainings:

- Securities and Exchange Commission (SEC) facilitated training on Internal Control over Financial Reporting.
- Institute of Directors (IoD) facilitated training on Challenge of Building Value Creating Boards.

(iv) Directors retiring by rotation

The Directors retiring by rotation in accordance with the Companies and Allied Matters Act 2020 are Mr. Abi Ayida and Mr. Adekunle Olowokande who, being eligible, offer themselves for re-election.

(v) Directors' interest in shares as at 31 December 2023

The interests of each Director in the shares of the Company, as at 31st December 2023, as recorded in the Register of Members and/or notified by the Directors for the purpose of Section 301 of the Companies and Allied Matters Act, 2020, and disclosed in accordance with the Listing Rules of Nigerian Stock Exchange are as stated below, along with their interests in contracts:

Director	Direct 31 Dec, 23	Direct 31 Dec, 22	Indirect 31 Dec, 23	Indirect 31 Dec, 22	Interest in Contracts		
Mr. Abi Ayida	625,601	625,601	Jurewa Investment Alemaje and Company Limited	16,685,111 16,315,506	Jurewa Investment Alemaje and Company Limited	16,685,111 16,315,506	None
Mr. Adekunle Olowokande	197,965	197,965	Nil	Nil	Nil	None	
Dr. Ogechi Iheanacho	100,000	Nil	Nil	Nil	Nil	None	
Mr. Raj Mangtani	Nil	Nil	Nil	Nil	Nil	Raw materials and product formulation, through Emychem Nigeria Ltd.	
Mrs. Erejuwa Gbadebo	Nil	Nil	Nil	Nil	Nil	None	
Mrs. Aisha Umar	Nil	Nil	Nil	Nil	Nil	None	
Mrs. Alaba Fagun	Nil	Nil	Nil	Nil	Nil	None	

(vi) Directors' Responsibilities

Berger Paints is committed to the highest ethical standards and best practices. The Board actively monitors the operations of the Company and is also responsible for safeguarding the assets of the Company by taking reasonable steps for the prevention/detection of fraud and other irregularities. The Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Company at the end of each financial year, and of the profit or loss for that year, in compliance with the Companies and Allied Matters Act, 2020. In so doing, the Directors ensure that:

- Proper accounting records are kept which disclose with reasonable accuracy, the financial position of the Company and which ensure that Financial Statements comply with the requirements of the Companies and Allied Matters Act, 2020;
- Appropriate internal control procedures are established which, as far as is reasonably possible, safeguard

DIRECTORS' REPORT (CONT'D)

- the assets of the Company, prevent and detect fraud and other irregularities;
- Applicable accounting standards are followed;
- Suitable accounting policies are adopted, consistently applied and supported by reasonable judgments and estimates; and
- The financial statements are prepared on a going concern basis, unless it is presumed that the Company will not continue in business.

7. Board committees

In alignment with extant codes of corporate governance, the Board Finance & General-Purpose Committee, Board Establishment, Remuneration & Governance Committee and Board Audit, Strategy & Risk Management Committee were in operation as at December 31 2023. The Board worked through these Committees, all of which were guided by Charters containing their terms of reference. The terms of reference of the Committees are summarized below, in addition to the record of directors' attendance:

Board Committees - Terms of Reference/Attendance at Meetings

Finance & General Purposes Committee: Review of financial statements, and monitoring of financial plans.

The responsibilities of the committee are to:

- 1 Consider and review the Company's financial performance, including significant capital allocations and expenditures.
- 2 Review debts owed to the Company and recovery efforts made by Management.
- 3 Review management accounts, forecasts and other financial statements.
- 4 Consider and review reports from the Management on stock of raw materials and finished products and strategies to keep these within approved limits.
5. Review, endorse and recommend for Board approval, the establishment and review of investment policy and procedure.
- 6 Consider and review reports on the Company's investments and ensure that all investment activities are guided by the investment policy.
- 7 Oversee the administration, effectiveness and compliance with the Company's investment policies through the review of the processes and report to the Board on recommendations of the Management on placement proposals.
- 8 Consider and review the annual budget and ensure that expenditure is within the approved budget.
- 9 Recommend for Board approval, the dividend policy, including nature and timing.
- 10 Ensure that an effective tax policy is implemented.
- 11 Handle other duties and responsibilities delegated to the Committee by the Board.

The schedule of attendance at the meetings of the Committee for the year is detailed below:

S/N	Name	17-Jan 23	14-Mar 23	20-Apr 23	17-Jul 23	12-Oct 23	16-Nov 23	No. (6)
1	Mr. Adekunle Olowokande (Chair)	P	P	P	P	P	P	6
2	Mr. Raj Mangtani	P	P	P	A	P	P	5
3	Mrs. Aisha Umar	P	P	P	P	P	P	6
4	Mrs. Alaba Fagun	P	P	P	P	P	P	6

P - Present, A - Apology

Establishment, Remuneration & Governance Committee: The responsibilities of the committee are:

- 1 Review and recommend to the Board for approval, proposals on recruitment, promotion and employment termination of senior officers on Manager grade and above;



DIRECTORS' REPORT (CONT'D)

- 2 Consider and make recommendations to the Board for approval of disciplinary action to be carried out against senior officers from Manager grade and above;
- 3 Consider and make recommendations to the Board for approval on the organizational structure, remuneration policy and policies covering the evaluation compensation and provision of benefits to employees and any other human capital issues;
- 4 Consider and make recommendations to the Board for approval on the Company's policy on Health and Safety at work and any proposed amendments;
- 5 Consider and make recommendations to the Board for approval on the Company's human resource strategies and compensation Policy.
- 6 Make recommendations to the Board regarding the remuneration, of the Board and its committees.
- 7 Assess the effectiveness of the corporate governance framework.
- 8 Consider and make recommendations to the Board on composition and the experience required by Board committee members, committee appointments and removal, operating structure, reporting and other Committee operational matters.
- 9 Consider and make recommendations to the Board on appointment and re-election of directors (including the CEO).
- 10 Ensure that all new directors receive a formal letter of appointment specifying their tenure, responsibilities, board committee involvement and other relevant details.
- 11 Ensure the Board composition includes at least three (3) Independent Directors.

Establishment, Remuneration & Governance Committee (cont'd)

- 12 Ensure that new directors receive a formal induction program to familiarize them with BPN's business, strategy and operations, enhance the discharge of their fiduciary duties, responsibilities, and understand their powers and potential liabilities.
- 13 Ensure the development and implementation of an annual training plan for continuous education of all Board members which will provide for periodic briefings on relevant laws and regulations to Board members.
- 14 Ensure the development and implementation of an annual training plan for continuous education of all Board members which will provide for periodic briefings on relevant laws and regulations to Board members.
- 15 Review and make recommendations to the Board for approval of the terms and conditions of employment of Company's staff, its staff handbook and any proposed amendment.
- 16 Ensure the performance evaluation of the CEO is performed by the Board on an annual basis and formal feedback provided to the CEO.
- 17 Nominate independent consultants to conduct annual review/appraisal of the performance of the Board and make recommendations to the Board in this regard. This review/appraisal should cover all aspects of the Board's structure, composition, responsibilities, individual competencies, board operations, board's role in strategy setting, oversight over corporate culture, monitoring role and evaluation of management performance and stewardship to shareholders.

The schedule of attendance at the meetings of the Committee for the year are detailed below:

S/N	Name	12-Jan-23	2-May-23	13-Jul-23	13-Oct-23	No. (4)
1	Mrs. Erejuwa Gbadebo (Chair)	P	P	P	P	4
2	Dr. Ogechi Iheanacho	P	P	P	P	4
3	Mrs. Aisha Umar	P	P	P	P	4
4	Mr. Raj Mangtani	P	P	P	P	4

P - Present

DIRECTORS' REPORT (CONT'D)

Audit, Strategy & Risk Management Committee: The responsibilities of the committee are to:

- 1 Review the audited and unaudited accounts of the Company. It is also responsible for overseeing the Company's long-term strategy, risks.
- 2 Consider reports from the Internal Auditor and making recommendations to the Board on the internal control framework.
- 3 Review and monitor the Company's strategic plan to ensure viability and appropriate milestones.
- 4 Consider the viability of all major strategic initiatives and investments.
- 5 Review and monitor the Company's strategic plan to ensure viability and appropriate milestones.
- 6 Consider the viability of all major strategic initiatives and investments.
- 7 Monitor changes and trends in the business environment.
- 8 Review the adequacy and effectiveness of risk management and controls.
- 9 Evaluate and Assess the Company's risk management framework, including Management's process for the identification, prevention and reporting of significant risks.

Audit, Strategy & Risk Management Committee

- 10 Review the Company's compliance level with laws and regulatory requirements that may impact the Company's risk profile.
- 11 Review the policy framework and ensure that the appropriate policies are in place.
- 12 To drive engagements with key stakeholders
- 13 Perform such other duties and responsibilities delegated to the Committee by the Board.
- 14 Develop the Company's Corporate Social Responsibility policy.
- 15 Constructively challenge Management's assumptions and contribute to the development of the Group's strategy and performance objectives.
- 16 Understand, identify and discuss with management the key issues, assumptions, risks and opportunities relating to the development and implementation of the Company's strategic thrusts.
- 17 Arrange an annual strategy retreat for the Board and management, ensuring that the Board retains sufficient knowledge of BPN's businesses in order to provide strategic input and identify any critical strategic discontinuities in management's assumptions and planning premises.
- 18 Review the resources made available by Management including business plans and financial, operational and human resources required to implement the agreed strategy.
- 19 Critically evaluate and make recommendations to the Board for approval of BPN's business strategy, at least annually.
- 20 Periodically engage Management on informal dialogue and act as a sounding Board on strategic issues.
- 21 Regularly review strategic planning and implementation monitoring process.
- 22 Review and make recommendations to the Board for the approval of the Group's organizational structure and any proposed amendments.

The schedule of attendance at the meetings of the Committee for the year are detailed below:

S/N	Name	19-Jan	24-Mar	20-Jul	26-Sep	17-Oct	No. (5)
		23	23	23	23	23	
1	Dr. Ogechi Iheanacho	P	P	P	P	P	5
2	Mr. Adekunle Olowokande	P	P	P	P	P	5
3	Mrs. Erejuwa Gbadebo	P	P	P	P	P	5

P - Present

8. Statutory Audit committee

Within the year under review, the Audit Committee comprised of two non-executive directors and three (3) shareholders' representatives. The Committee, in the conduct of its affairs as stipulated in Section 404 of the Companies and Allied



DIRECTORS' REPORT (CONT'D)

Matters Act (CAMA), 2020, reviewed the overall risk management and control systems, as well as financial reporting procedures and standards of business conduct of the Company. In the performance of their duties, the members had direct access to both the Internal Auditors and the External Auditors. The Committee met five (5) times in 2023 as detailed below.

The schedule of attendance at the meetings of the Committee for the year are detailed below:

S/N	Name	23-Mar-23	25-Jul-23	20-Oct-23	8-Nov-23	8-Dec-23	No. (5)
1	Mr. Chibuzor Eke (Chairman)	P	P	P	P	P	5
2	Mrs. Mary Shofolahan	P	P	P	P	P	5
3	Mr. Taiwo Afinju	P	P	P	P	P	5
4	Dr. Ogechi Iheanacho	P	P	P	A	P	4
5	Mr. Adekunle Olowokande	P	P	P	P	P	5

P - Present A - Apology

9. Donations and gifts

In compliance with Section 43 (2) of the Companies & Allied Matters Act (CAMA), 2020, the Company did not make any donations to any political party, political association or for any political purpose during the year under review (2022: Nil). Donations made during the year amounted to ₦1,046,858.39 (2022: ₦694,002) as shown below:

Beneficiary	Purpose	Amount
Eva Adelaja Secondary School	Painting of School Laboratory	496,858
Mrs Ike Ogarakwu	Teachers Day Reward Winner	150,000
Mrs Titilope Akinfolayan	Teachers Day Reward Winner	150,000
Mrs. Ifeoma Chukwuka	Teachers Day Reward Winner	150,000
Children's Art Gallery	Donation	100,000
Total		1,046,858

10. Quality policy and innovation

Berger Paints Nigeria Plc remains a forward-looking organization, which places premium on quality products. The Company is committed to improving quality through the use of identified processes, which are constantly monitored to meet approved international and local standards. These carefully monitored processes make it imperative that only high quality paints are produced and marketed by the Company. In recognition of the above, the Company was awarded the latest International Standard Certification ISO 9001:2015.

11. Risk management policy

There is an effective internal audit function, in addition to which the risk management control and compliance system operates efficiently. An Enterprise Risk Management Framework has been approved by the Board and implemented by Management. The objectives of the Company's risk management policy are;

- Maximise the benefit from new opportunities, challenges and initiatives
- Avoid damage to our reputation
- Take appropriate risks for appropriate return while improving shareholders' value
- Prioritising effectively between different risks
- Demonstrate good corporate governance by managing our risks effectively

12. Safety and environment policy

Health & Safety

The safety of our employees is a priority. The Company has taken every precaution to provide a safe workplace and there is a zero tolerance policy for workplace violence. Our operations and procedures are regularly certified by both state and



DIRECTORS' REPORT (CONT'D)

federal regulatory agencies. Accidents are investigated, and corrective actions put in place to forestall future occurrences.

The Company has developed a number of policies to promote safety and minimize accidents in the workplace, and it ensures the safety of its staff and visitors through various means including:

- Ensuring that plant equipment are adequately maintained to prevent accidents.
- Using up to date methods to control hazards inherent in our operations.
- Providing personal protective equipment and enforcing its usage
- Ensuring that safe work procedures are followed
- Ensuring that jobs are awarded only to contractors with laudable safety performances
- Ensuring that the working environment is clean, tidy and conducive
- Implementing an effective emergency management program so as to minimize adverse impact on human and the environment, in case of emergencies; and
- Continuously training employees to create safety consciousness.

Sustainability

Part of the fulfilment of our environmental friendliness practice is to conduct a periodic environmental audit to monitor the significant environmental aspects of our operations and put in place controls that will minimize or eliminate their adverse impact on the environment. The Company also complies with all environmental laws and strives to minimize environmental impact associated with our activities through:

- The use of modern technology and expertise to reduce environmental pollution
- Conservation of resources in a cost effective manner
- The proper disposal or recycle of waste; and
- The assessment of the adverse impact of our raw materials or new products on both humans and the environment.

Wellbeing, diversity and other human resource policies

The Company's policy on managing diversity recognizes that there are differences among employees and that harnessing these differences create a productive environment in which everyone feels valued, their talents utilized and organizational goals met. We have also created an enabling environment where patterns of thinking are nurtured as a way of developing our employees as agents of change. Berger Paints Nigeria Plc. is committed to providing employment for people with physical challenges who are able to work. As at the end of the year, there was no physically challenged person in the employment of Berger Paints Nigeria Plc (2022: Nil).

We also have a policy on HIV/AIDS and other serious diseases which aims to reassure employees that AIDS is not spread through casual contact during normal work practices and also to reduce unrealistic fears about contacting the certain diseases in the work place.

Partnership, representation and dialogue are encouraged through staff associations. Our Talent Management Policy and the Technical Sales Trainee Scheme are examples of a commitment to continuous development of the skills and abilities of employees in order to maximize their contribution.

The Company is fully compliant with the provisions of the revised Pension Reform Act, 2014. Berger Paints staff enjoy highly subsidized meals served in a hygienically maintained canteen. The Company believes that productivity emanates from a healthy mind in a healthy body.

13. Berger Business Partners

The Company has numerous business partners and dealers all over the country who have contributed to the turnover and to whom the Company remains grateful. Our Berger Business Partners are detailed in the Annual Report.



DIRECTORS' REPORT (CONT'D)

Suppliers

Overseas: The bulk of overseas purchases of raw materials were made from:

- 1 Kadamenon Colour
- 2 Oliver+Batlle
- 3 PRA World Limited
- 4 Soujanya Colours
- 5 Transmare Chemie
- 6 Yongkang Ocean Import & Export Co. Ltd.

Local: In addition, local purchases were made from the following indigenous companies:

- | | | | |
|----|---|-----|------------------------------------|
| 1 | Asharami Synergy Plc | 18. | Lexcel Products and Packaging Ltd |
| 2 | Avon Crown caps And Containers Nig. Plc | 19. | Melvyn Nickson Nigeria Limited |
| 3 | Brenntag Chemicals Nigeria Limited | 20. | Metoxide (Nigeria) Ltd. |
| 4 | Bovas Oil | 21. | Metchem Limited. |
| 5 | C-Pin Industries Ltd. | 22. | Nycil Ltd. |
| 6 | Chanco Impress | 23. | Opil Oil. |
| 7 | Chizzy Nig Ltd. | 24. | Parco Enterprises Nigeria Limited. |
| 8 | Cormat Nig Ltd. | 25. | Redachem Industry Nigeria Limited |
| 9 | Danel Nigeria Ltd. | 26. | Robinson Ventures Ltd |
| 10 | Dastoll Oil | 27. | Rama Industries Ltd |
| 11 | Dlad Holdings Ltd. | 28. | Samking Chemical Ltd |
| 12 | Emychem Limited | 29. | The Freedom Group Ltd |
| 13 | Falcon Chemicals Ltd. | 30. | Trisa Nig. Ltd |
| 14 | Geeta Plastic | 31. | Wahum Pkg Ltd |
| 15 | Global-Chem | 32. | Wtex Industries (Nigeria) Limited |
| 16 | Gmas Ltd. | 33. | Shonghai Plastic |
| 17 | Glister Success Ltd | | |

14. Independent auditor

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have concluded their tenure as auditors to the Company. The firm of Pannell Kerr Forster was appointed as auditors on 22 November 2023 and has indicated their willingness to commence their tenure in office as independent auditors to the Company. In accordance with section 401(2) of the Companies and Allied Matters Act (CAMA), 2020 therefore, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

15. Compliance with regulatory requirements & Company policies

The Company in the year under review did not contravene the rules of any of the regulatory authorities and did not receive any sanctions. The Company has adopted a policy regulating the procedure for handling shareholders' complaints, as well as a policy on trading in the Company's shares. These can be found on the Company's website at www.bergerpaintsnig.com.

16. Responsibility for Accuracy of Information

Pursuant to Article 2.2.4 of the Amended Listing Rules 2015 of the Nigerian Stock Exchange, the directors accept responsibility for the accuracy of the information contained in this report.

17. Subsequent Events

Other than as disclosed in Note 34 there were no other significant events that could have had a material effect on the financial statements as at 31 December 2023.



DIRECTORS' REPORT (CONT'D)

BY ORDER OF THE BOARD



Omolara Bello

Company Secretary/ Legal Adviser

28 March 2024

FRC/2019/NBA/00000019782



CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2023

Berger Paints Nigeria Plc. (BPN) maintains the highest standards of Corporate Governance and best practices within the paints manufacturing industry. The Board of Directors ensures that best governance practices and ethical dealings are distilled across the company's operations and business hierarchy by demonstrating the appropriate 'tone at the top' in its approach to governance.

Compliance with Codes of Corporate Governance

During the period under review, the Directors, Management Team, and employees complied with the Securities and Exchange Commission (SEC) issued Code of Corporate Governance for public companies, the Nigerian Code of Corporate Governance (NCCG) 2018, Rulebook and Listing Rules of the Nigerian Exchange Limited.

Shareholding

BPN has a diverse shareholding structure with no single ultimate individual shareholder holding up to 20% of the Company's total shares.

Board of Directors

The Board is responsible for the oversight of the business, risks, long-term strategy, and objectives, while evaluating and directing the implementation of Company controls and procedures including, in particular, maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets.

It also ensures that good Corporate Governance processes and best practices are implemented.

The Board is comprised of persons of diverse discipline and skills, chosen on the basis of professional background and expertise, business experience and integrity as well as knowledge of BPN's business. Directors are fully abreast of their responsibilities and knowledgeable in the business and are therefore able to exercise good judgment on issues.

The Board and Board Committees have respective Charters regulating their operations. Each board committee, through its charters, ensures adequate systems; policies, and procedures that are put in place to safeguard the assets and investment of the company

Board Composition

The Board is currently made up of a Non-Executive Chairman, three (3) Non-Executive Directors, two (2) Independent Non-Executive Directors and one (1) Executive Director who is the Managing Director/CEO.

The MD/CEO is responsible for the day-to-day running of the Company assisted by the Management Committee.

The members of the Board are free from any restraints which may influence them from performing their duties as required of them by law.

Distinct roles of Chairman and Chief Executive

In conformance with good corporate governance practices, the roles of the Chairman and Chief Executive are separate and not combined in one individual. The Chairman provides leadership to the Board to ensure that it operates effectively. The Chairman also facilitates the contribution of Directors and promotes effective relationships and open communications between Directors.

On the other hand, the Managing Director/Chief Executive Officer, is responsible for the day-to-day management of the business. Nonetheless, the Board regularly reviews the Company's financial performance, matters of strategic concern, and any other matter it regards as material.

Induction and continuous training

Upon appointment to the Board, Directors receive an induction tailored to meet their individual requirements. The induction, which may include meetings with senior management and operations staff, is designed to assist Directors in acquiring a detailed



CORPORATE GOVERNANCE REPORT (CONT'D)

For the year ended 31 December 2023

understanding of the Company's operations by conducting them round the company's operating facilities. This includes but is not limited to an insight into how much priority has been placed on health and safety by the company, to introduce them to their fiduciary duties and responsibilities, amongst others.

The Company attaches great importance to training its Directors and for this purpose, continuously offers training and education to its Directors to enhance their performance on the Board and the various Committees to which they belong.

The Board Establishment, Remuneration, and Governance Committee is responsible for developing continuing education programs to ensure that directors stay updated and conversant with industry requirements, corporate governance practices, and the company's business and objectives.

Performance evaluation process

A formal assessment process is carried out by the Board Establishment, Remuneration and Governance Committee, to assess the performance of individual members of the board, its committees, and the board as a whole, this enables the committee to ensure their effectiveness and productivity and to identify areas of improvement. Report of the evaluation exercise is made to the full board and recommendations on re-appointment of directors are made based on the report.

Director Remuneration Policy

The Company's Director Remuneration policy is structured taking into account the environment in which it operates and the prevailing industry standard. It includes the following elements:

- Non-Executive Directors

The Company's policy on remuneration of Non-Executive Directors is guided by the provision of the SEC and NCCG Codes which stipulates that Non-Executive Directors' remuneration should be limited to sitting allowances, Directors' fees, and reimbursable expenses.

Directors may also be sponsored for training programs that may enhance their duties to the Company.

- Executive Directors/Senior Management

The remuneration policy for Executive Directors considers various elements, including the following:

- Fixed remuneration, taking into account the competitiveness of remuneration paid for equivalent posts in similar manufacturing companies in Nigeria.
- Variable annual remuneration subject to achieving specific quantifiable targets.

Whistle Blowing Procedure

The Company has a whistle-blowing procedure that ensures anonymity for whistle-blowers. The Company has contact details on its website, provided for the purpose of whistle-blowing. All reports are investigated and necessary sanctions are applied for breaches.

Regulatory Infractions

For the 2023 financial year, no regulatory infraction was recorded.

Communication with Stakeholders

The Company ensures open communication with stakeholders and major developments are constantly and immediately disclosed to the market and stakeholders through the Issuers Portal of the Nigerian Exchange Limited.

The Company also ensures that complaints received from shareholders are dealt with promptly with the assistance of the Company's Registrars and details entered into the company's electronic complaint management register.



CORPORATE GOVERNANCE REPORT (CONT'D)

For the year ended 31 December 2023

Access to Independent Professional Advice

The Board is authorized to act at the company's expense and, obtain independent/professional advice from expert as required in the discharge of their responsibilities subject to due approvals. This option was exercised at different times during the 2023 financial year.



CORPORATE GOVERNANCE REPORT (CONT'D)

For the year ended 31 December 2023



MR. KUNLE OLOWOKANDE

NON-EXECUTIVE DIRECTOR

BOARD COMMITTEES

Finance & General Purposes Committee:

The Finance and General Purpose Committee is primarily tasked with the responsibility of making recommendations to the Board on the Company's overall financial performance, capital and operating expenditures, investments proposal and placement of funds proposals as referred to it by the Management Committee.

More specifically, some of the Committee's responsibilities as outlined in its Charter are to:

Responsibilities of the Committee

- Consider and review the Company's financial performance, including significant capital allocations and expenditures.
- Review debts owed to the Company and recovery efforts made by Management.
- Review management accounts, forecasts and other financial statements.
- Consider and review reports from the Management on stock of raw materials and finished products and strategies to keep these within approved limits.
- Review, endorse and recommend for Board approval, the establishment and review of investment policy and procedure.
- Consider and review reports on the Company's investments and ensure that all investment activities are guided by the investment policy.
- Oversee the administration, effectiveness and compliance with the company's investment policies through the review of the processes and report to the Board on recommendations of the Management on placement proposals.
- Consider and review the annual budget and ensure that expenditure is within the approved budget.
- Recommend the dividend policy, including nature and timing.
- Ensure that an effective tax policy is implemented.
- Handle other duties and responsibilities delegated to the Committee by the Board.

Composition

The membership and tenure of the Committee are determined by the Board and guided by the Committee's Charter. The Charter stipulates that the Committee shall comprise members with balanced views, knowledge of credit, investment, finance, and general management or entrepreneurial experience with at least one (1) member possessing deep knowledge of finance and investment matters.

Specifically, the Committee members shall be consisted of the following:

- The Managing Director and/or an Executive Director
- At least two Non-Executive Directors



CORPORATE GOVERNANCE REPORT (CONT'D)

For the year ended 31 December 2023



MRS. EREJUWA GBADEBO

INDEPENDENT NON-EXECUTIVE DIRECTOR

Establishment, Remuneration & Governance Committee:

The Establishment, Remuneration & Governance Committee is tasked with the responsibility of making recommendations to the Board on recruitment, compensation, benefits, promotions, and disciplinary issues affecting senior officers of the company on Manager grade and above.

The Committee also considers the nomination of new directors to the Board, succession planning for key positions on the Board and Management, training of directors, recommending director's remuneration, and overseeing board performance. Additionally, the Committee oversees the development of an appropriate corporate governance framework for the Company and ensures compliance with extant Codes of corporate governance.

Specifically, some of the Committee's responsibilities as outlined in its Charter are as follows:

Responsibilities of the Committee

- Review the recruitment, promotion, employment, and termination of senior officers on Manager grade and above;
- Consider disciplinary action to be carried out against senior officers from Manager grade and above;
- Review organizational structure, remuneration policy, and policies covering the evaluation, compensation, and provision of benefits to employees and any other human capital issues;
- Make recommendations to the Board regarding the remuneration, of the Board and its committees.
- Oversee compliance with the corporate governance framework.
- Review of composition and the experience required by Board committee members, committee appointments and removal, operating structure, reporting, and other Committee operational matters.
- Consider and make recommendations to the Board on the appointment and re-election of directors (including the CEO).
- Ensure that all new directors receive a formal letter of appointment specifying their tenure, responsibilities, board committee involvement, and other relevant details.
- Ensure the Board composition includes at least one (1) independent director.
- Ensure that new directors receive a formal induction program.
- Ensure the development and implementation of an annual training plan for continuous education of all Board members which will provide for periodic briefings on relevant laws and regulations to Board members.
- Ensure adequate succession planning for the Board of Directors and key management staff in BPN.
- Review and make recommendations to the Board for approval of the terms and conditions of employment of the company's staff, its staff handbook, and any proposed amendment.
- Nominate independent consultants to conduct an annual review/appraisal of the performance of the Board and make recommendations to the Board in this regard. This review/appraisal should cover all aspects of the Board's structure, composition, responsibilities, individual competencies, board operations, board's role in strategy setting, oversight over corporate culture, monitoring role, and evaluation of management performance and stewardship to shareholders.

Composition

The membership and tenure of the Committee are determined by the Board and guided by the Committee's Charter. The Charter stipulates that the Committee shall comprise members with good knowledge of Governance and at least one member with Human Resources Experience.

Specifically, the composition shall include:

- One Independent Non-Executive Director who shall be the Chairman of the Committee; and
- At least two Non-Executive Directors.

The Managing Director or Executive Director (s) are precluded from being members of this Committee but may be invited to attend from time to time.



CORPORATE GOVERNANCE REPORT (CONT'D)

For the year ended 31 December 2023



DR. OGECHI IHEANACHO

NON-EXECUTIVE DIRECTOR

Board Audit, Strategy & Risk Management Committee:

The Board Audit, Strategy & Risk Management Committee is tasked with the responsibility of making recommendations to the Board on the Company's long term strategy, risks, and opportunities relating to the strategy, identification, evaluation and mitigation of risks and monitoring of the strategy and risk management framework of the Company.

Some of the Committee's specific responsibilities shall be to:

Responsibilities of the Committee

- Review and monitor the Company's strategic plan, initiatives and investments.
- Monitor changes and trends in the business environment.
- Review the adequacy and effectiveness of risk management and controls.
- Evaluate and Assess the Company's risk management framework, including Management's process for the identification, prevention and reporting of significant risks.
- Review the Company's compliance level with laws and regulatory requirements that may impact the company's risk profile.
- Review the policy framework and ensure that the appropriate policies are in place.
- Develop the Company's Corporate Social Responsibility policy.
- Understand, identify and discuss with management the key issues, assumptions, risks and opportunities relating to the development and implementation of the company's strategic thrusts.
- Arrange an annual strategy retreat for the Board and management, ensuring that the Board retains sufficient knowledge of BPN's businesses in order to provide strategic input and identify any critical strategic discontinuities in management's assumptions and planning premises.
- Review the resources made available by Management including business plans and financial, operational, and human resources required to implement the agreed strategy.
- Regularly review strategic planning and implementation monitoring process.

Composition of the Committee

The membership and tenure of the Committee are determined by the Board and guided by the Committee's Charter. The Charter stipulates that the Committee shall comprise members representing balanced views, knowledge of Risk Management, and Strategic Planning experience. At least one (1) member should possess deep knowledge of Risk Management and Strategic Planning matters.

Specifically, the composition shall include:

- An Independent Non-Executive Director
- At least two Non-Executive Directors.



CORPORATE GOVERNANCE REPORT (CONT'D)

For the year ended 31 December 2023



MR. CHIBUZOR EKE

CHAIRMAN, STATUTORY AUDIT COMMITTEE

Statutory Audit Committee

In accordance with the provisions of section 404 (4) of the Companies and Allied Matters Act, 2020 (CAMA 2020), all public companies are mandated to have Statutory Audit Committees (SAC) to ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.

Responsibilities of the Committee

The Committee, guided by Section 404 (6) of CAMA 2020, reviews the overall risk management and control systems, as well as financial reporting procedures and standards of business conduct of the Company. In the performance of their duties, the members have direct access to both the Internal Auditors and the External Auditors.

In line with the provisions of CAMA, the Committee's responsibilities shall be to:

- Ascertain whether the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical policies.
- Review the scope and planning of audit by the external auditors including identified risk areas, relevance of audit plan to audit approach, and reporting timetable.
- Review the effectiveness of the Company's system of accounting and internal control.
- Review the statutory auditors' management letter and ensure the adequacy of the Management's response;
- Make recommendations to the Board with regard to the appointment, removal and remuneration of the statutory auditors of the Company;
- Authorize the internal auditor to carry out an investigation into any activities of the Company which may be of interest or concern to the Committee;
- Review the integrity of the Company's financial reporting and oversee the independence and objectivity of the external auditors; and
- All such other matters as are reserved to the Audit Committee by CAMA 2020 and the provisions of the SEC Code of Corporate Governance.

Composition

The composition is guided by CAMA which stipulates that the Committee shall have three (3) Shareholder Representatives and two (2) Non-Executive Directors. The Code of Corporate Governance of the Securities and Exchange Commission indicates that some of the members of the Audit Committee should have basic financial literacy and be knowledgeable in internal control processes.

The membership of the Committee is subject to shareholder approval annually.





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STATEMENT OF COMPLIANCE WITH REGULATIONS

STATEMENT OF COMPLIANCE WITH THE NIGERIAN EXCHANGE LIMITED (NGX) LISTING RULES ON SECURITIES TRADING POLICY

In line with Section 14.4 of the Nigerian Exchange Limited (NGX) Amendments to the Listing Rules (Rules), we wish to state that Berger Paints Nigeria Plc (BPN) has adopted a code of conduct regarding securities transactions by our directors and it is in line with the required standard set out in the NGX Rules.

Having made specific enquiry of all our directors regarding compliance with BPN's Securities Trading Policy (Policy), we hereby confirm to the best of our knowledge that our Board of Directors are compliant with the Policy and NGX Rules on Securities Trading.



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



Abi Ayida
FRC/2019/IODN/00000019260
Chairman

STATEMENT OF COMPLIANCE WITH THE SEC CODE OF CORPORATE GOVERNANCE

In compliance with Section 34.7 of the SEC Code of Corporate Governance (SEC Code), we hereby confirm to the best of our knowledge that Berger Paints Nigeria Plc. is in full compliance with the Code. We also confirm as follows:

1. Internal Audit functions exist in the company. Similarly, risk management and compliance systems are operating efficiently and effectively in all respects.
2. This report contains a report on the company's sustainability initiatives as required under Section 28, Part D of the SEC Code.
3. Details and nature of related party transactions, are being monitored and included in the Audited Financial Statements contained in the Annual Report.



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



Abi Ayida
FRC/2019/IODN/00000019260
Chairman



STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the Preparation and Approval of the Consolidated and Separate Financial Statements for the Year Ended 31 December 2023

The Directors accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view in compliance with the IFRS Accounting standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Abi Ayida (FRC/2019/IODN/00000019260)

Chairman

March 28, 2024



Adekunle Olowokande (FRC/2019/IODN/00000019259)

Director

March 28, 2024



STATEMENT OF CORPORATE RESPONSIBILITY

for the Consolidated and Separate Financial Statements for the Year Ended 31 December 2023

Further to the provisions of section 405 of the CAMA 2020, we, the Managing Director and Chief Financial Officer, hereby certify the consolidated and separate financial statements of Berger Paints Nigeria Plc for the year ended 31 December 2023 as follows:

- a) That we have reviewed the audited consolidated and separate financial statements of Berger Paints Nigeria Plc (the "Company") and its subsidiary (together, "the Group") for the year ended 31 December 2023.
- b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statement misleading, in light of the circumstances under which such statement was made.
- c) That the audited consolidated and separate financial statements and all other audited financial information included in the statements present fairly, in all material respects, the financial conditions and results of operation of the Group and Company as of and for, the year ended 31 December 2023.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiary is made known to us by other officers of the Company during the year ended 31 December, 2023.
- e) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation. including any corrective action with regard to significant deficiencies and material weaknesses.
- f) That we have disclosed the following information to the Company's Auditors and Audit Committee:
 - i. All significant deficiencies in the design or operation of the internal control system which are reasonably likely to adversely affect the Group and Company's ability to record, process, summarize and report financial data.
 - ii. There is no fraud that involves management or other employees who have significant role in the Group's internal control.

SIGNED ON BEHALF OF THE COMPANY BY:



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

Managing Director

March 28, 2024



Onyebuchi Roberts (FRC/2013/ICAN/00000002109)

Chief Financial Officer

March 28, 2024



MANAGEMENT'S REPORT ON THE EFFECTIVENESS

of Internal Control over Financial Reporting as of 31 December 2023.

The management of Berger Paints Nigeria Plc ("the Company") is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Securities and Exchange (SEC) Act, 2007 and the Financial Reporting Council (Amendment) Act, 2023.

The management of Berger Paints Nigeria Plc assessed the effectiveness of the internal control over financial reporting of the Company and its subsidiary (together "the Group") as of 31 December 2023 using the criteria set forth by Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the SEC Guidance on Implementation of Section 60 to 63 of Investments and Securities Act 2007.

As of 31 December, 2023, the management of Berger Paints Nigeria Plc did not identify any material weakness in its assessment of the internal control over financial reporting. As a result, management has concluded that as of 31 December 2023, the Group's internal control over financial reporting was effective.

Berger Paints Nigeria Plc independent auditor, KPMG Professional Services who audited the consolidated and separate financial statements included in the Annual Report, issued an unmodified conclusion on the effectiveness of the Group's internal control over financial reporting as of 31 December, 2023 based on the limited assurance engagement performed by them. KPMG Professional Services' limited assurance report appears on pages 23-24 of the Annual Report.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred after the date of our evaluation of the effectiveness of internal control over financial reporting that significantly affected, or are reasonably likely to significantly affect the Group's internal control over financial reporting.



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

Managing Director

March 28, 2024



Onyebuchi Roberts (FRC/2013/ICAN/00000002109)

Chief Financial Officer

March 28, 2024



CERTIFICATION OF MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

We, Alaba Fagun and Onyebuchi Roberts certify that:

- a) We have reviewed the 2023 Annual Report of Berger Paints Nigeria Plc ('the Company') and its subsidiary (together "the Group")
- b) Based on our knowledge, the 2023 Annual Report of Berger Paints Nigeria Plc does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on our knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Group and the Company as of 31 December 2023, presented in this report;
- d) Berger Paints Nigeria Plc certifying officers:
 - i) are responsible for establishing and maintaining internal controls;
 - ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to Berger Paints Nigeria Plc, and its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of annual report for external purposes in accordance with generally accepted accounting principles;
 - iv) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the date of the financial statements and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of 31 December, 2023 covered by this report based on such evaluation.
- e) Berger Paints Nigeria Plc certifying officers have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors (KPMG Professional Services) and the audit committee that:
 - i) All significant deficiencies in the design or operation of the internal control system which are reasonably likely to adversely affect Berger Paints Nigeria Plc's ability to record, process, summarize and report financial information; and
 - ii) There was no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) Berger Paints Nigeria Plc certifying officers have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to deficiencies noted.



Alaba Fagun (FRC/2023/PRO/DIR/003/234540)
Managing Director
March 28, 2024



Onyebuchi Roberts (FRC/2013/ICAN/00000002109)
Chief Financial Officer
March 28, 2024



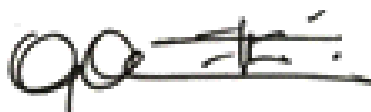
REPORT OF THE BOARD AUDIT, STRATEGY AND RISK MANAGEMENT COMMITTEE (BASRMC)

In compliance with the provision of principle 11.4.7 of the Nigerian Corporate Governance Guidelines 2018 (Guidelines), we, the members of the Board Audit Strategy and Risk Management Committee of Berger Paints Nigeria PLC., having carried out our audit oversight functions as provided in the Guideline hereby reports that:

1. A comprehensive internal control framework was developed for the Company,
2. The Committee maintained the exercise of oversight over the internal audit function of the Company.
3. The Committee ensured the design and operating effectiveness of the Company's internal controls over the financial reporting systems.
4. The Committee oversaw the process for the identification of fraud risks across the Company and ensured that adequate prevention, detection, and reporting mechanisms were in place;
5. The Committee discussed the interim and annual audited financial statements as well as significant financial reporting findings and recommendations with Management and external auditors prior to recommending same to the Board for considerations and appropriate action;
6. The Committee maintained oversight of financial and non-financial Reporting;
7. The Committee reviewed and ensured that adequate whistle-blowing policies and procedures are in place and the issues reported through the whistle-blowing mechanism were summarised and presented to the Board;
8. The Committee reviewed with the external auditors, any audit scope limitations or significant matters encountered and Management's responses to same;
9. The Committee ensured the implementation of the policy on the nature, extent, and terms under which the external auditors may perform non-audit services;
10. The independence of the external auditors was preserved and no non-audit services were engaged;
11. The Committee monitored Management's implementation of the Related Party Transactions Policy;
12. At least once during the year, the Committee held a discussion with the head of internal audit function and the external auditors without the presence of the Management, to facilitate an exchange of views and concerns that may not be appropriate for open discussion.



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



Ogechi Iheanacho
FRC/2023/PRO/DIR/003/811786
Chair, BASRMC





CORPORATE SERVICES LIMITED

8th April 2024

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE OF THE BOARD OF DIRECTORS OF BERGER PAINT PLC FOR THE YEAR-ENDED 31ST DECEMBER 2023.

In line with the provisions of **Principle 14.1 of the Nigerian Code of Corporate Governance, 2018 ("NCCG")**, and **Guideline 9 of the Securities and Exchange Commission Corporate Governance Guidelines ("SCGG")**, DCSL Corporate Services Limited was appointed to undertake an appraisal of the Board of Directors of Berger Paint Plc ("the Company") for the year-ended 31st December 2023.

The appraisal involved benchmarking the performance of the Board against the provisions of the SCGG and the NCCG and entailed a review of the Company's corporate and statutory documents, Minutes of Board and Board Committee meetings, policies and other ancillary documents made available to us, the administration of questionnaires as well as interviews with the Directors and select members of the Executive Management team. To ascertain the extent of compliance with relevant corporate governance principles, and the performance of the Board in general, we benchmarked the Company's corporate governance structures, policies, and processes against the provisions of the SCGG and the NCCG as well as global Best Practices using the following seven key corporate governance themes:

1. Board Structure and Composition
2. Strategy and Planning
3. Board Operations and Effectiveness
4. Measuring and Monitoring Performance
5. Risk Management and Compliance
6. Corporate Citizenship
7. Transparency and Disclosure.

Following the review of the policies and processes in place at the Company, we confirm that the Board of Directors is committed to enthrone the highest standards of corporate governance practices and ensuring adherence to the principles enshrined in the SCGG and the NCCG, as well as globally accepted corporate governance practices. Furthermore, we confirm that the Board is committed to setting the pace for the observance of highest ethical standards and transparency in the conduct of the Company's business.

We have proffered recommendations to address the areas requiring improvement and trust that the Board will take appropriate steps to implement these.

Our detailed report contains details of our findings and recommendations.

Yours faithfully,

For: DCSL Corporate Services Limited



Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

Directors: ~ Abel O. Ajayi (Chairman) ~ Bisi Adeyemi (Managing Director) ~ Adeniyi Obe ~ Dr Anino Emuwa ~ Obi A. Ogbechi ~ Mr. Lekan Belo

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REPORT OF THE AUDIT COMMITTEE

In compliance with the provisions of Section 404 (4) of the Companies and Allied Matters Act, 2020 (Act), we, the members of the Audit Committee of Berger Paints Nigeria Plc., having carried out our statutory functions under the Act hereby report that:

1. The scope and planning of both the external and internal audit programs for the year ended 31 December, 2023 were adequate in our opinion.
2. The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.
3. The systems of internal control were constantly and effectively monitored.
4. Having reviewed the External Auditors' findings and recommendations on Management matters, we are satisfied with Managements' response thereon.

Finally, we acknowledge the cooperation of Management in the conduct of these duties.

The members of the Audit Committee for the 2023 financial year were:

Members of the Committee

- | | | | |
|----|---------------------------|---|-------------------------------------|
| 1. | Mr. Chibuzor Eke | - | Shareholder Representative/Chairman |
| 2. | Mrs. Mary Joke Shofolahan | - | Shareholder Representative/Member |
| 3. | Mr. Taiwo Afinju | - | Shareholder Representative/Member |
| 4. | Dr. Ogechi Iheanacho | - | Non-Executive Director/Member |
| 5. | Mr. Adekunle Olowokande | - | Non-Executive Director/Member |

The Company Secretary /Legal Adviser, Omolara Bello served as the Secretary to the Committee.

Dated 28 March, 2024

Mr. Chibuzor Eke

Chairman, Audit Committee

FRC/2013/PRO/AUDITCOM/002/00000004670



2023 SUSTAINABILITY REPORT

Introduction

In line with section 302 (3) of the CAMA 2020 and Principle 26 of the Nigerian SEC Corporate Governance Guidelines 2018 on sustainability, every company is expected to pay adequate attention to sustainability issues including the environment, social, occupational, and community health and safety. These issues have grown in significance and are crucial in ensuring successful long-term business performance and contribution to national economic development.

Alignment with Sustainable Development Goals

Berger Paints Nigeria Plc (BPN) is committed to initiatives that promote 11 SDGs

Every individual irrespective of gender, religion, race, class or creed has a stake together and Berger Paints Nigeria Plc (BPN) identifies with this philosophy as we are committed to preserving the green future.

1. Environmental Sustainability

In line with the Sustainable Development Goals of the United Nations and resolutions passed at the Conference of Parties (Cop26), BPN is committed to fulfilment of environmentally friendly practice. Part of achieving this is to conduct periodic environmental audits to monitor significant environmental aspects of our operations and put in place controls that will minimize and eliminate their adverse impact on the environment. The company also complies with all environmental laws and strives to minimise the environmental impact associated with our activities through our various sustainable practices:

- The company conducts periodic environmental audit to monitor the significant environmental aspects of its operations and puts in place controls that minimize or eliminate the adverse impact on the environment.
- BPN is currently championing a paperless work environment
- The company is committed to energy savings by ensuring suitably sized power generators are utilised for peak and off-peak periods.
- Water wastage is minimised by the use of flow switch systems.
- BPN currently operates an automated water base factory
- BPN's energy management system also incorporates the use of motion sensor switches.
- Effluents are properly treated before appropriate dislodgement.



2. Health and Safety Policy

The safety of our employees is key and at we at BPN ensure that we take every precaution to provide a safe workplace with a zero-tolerance policy for workplace violence. Our procedures and operations undergo regular certification by both state and federal regulatory agencies. We have safety practices in place to ensure zero accidents but in the unfortunate instances that they occur, they are investigated, and corrective actions are put in place to forestall future occurrences.

The company has developed a number of policies to minimise accidents in the workplace, and ensure the safety of staff and visitors through various means including:

- Proper maintenance of equipment is carried out to ensure they are in optimal/safe conditions.
- Adequate PPEs are provided to address the associated risks with our operations.
- Ensuring that safe work procedures are followed
- Vendors are given proper safety orientations; erring vendors are appropriately sanctioned.
- Ensuring that the working environment is clean, tidy and conducive
- Implementing an effective emergency management program so as to minimize adverse impact on humans and the



2023 SUSTAINABILITY REPORT (CONT'D)

- environment in case of emergencies
- Continuous staff training for employees to create safety consciousness

BPN has a duration of 8 working hours per day and in 2023, we recorded a sterling occupational safety profile of zero fatality and zero environmental spills.

We also have an in-house canteen where healthy, safe and nutritious meals paid for by the company is served. This helps to contribute to the well-being of one of our major stakeholder groups; our staff.



3. Decent Work

We have a robust policy on decent work which is geared towards fair and equitable terms and conditions of employment. Our policy on managing diversity recognises that there are differences among employees and that harnessing these differences creates a productive environment where everyone feels valued and their talents are utilised to meet organisational goals. Innovation is one of our strong values and we have created an environment that supports and nurtures various ways of thinking developing our employees as ambassadors of organisational goals.

The company encourages equal opportunities as a human resources policy and in dealing with human resource issues, we encourage equity, fair play; learning, quality of life and ethical operations among others. BPN does not permit any form of discrimination either directly or indirectly against any employee on the grounds of ethnicity, nationality, sex, sexual orientation, disability, marital status or age. BPN is also committed to providing employment for physically challenged persons and steps are in place to ensure the work environment meets the standards in line with the new disability act.

At BPN, the principle of Diversity is well appreciated and we have seen more inclusion of female leadership at Board and Management level. Partnership, Representation and Dialogue are encouraged through staff associations.

BPN has a fully funded and comprehensive health policy that covers not only members of the BPN family but their dependents as well in line with approved Health Management Organizations (HMO). In addition, we have an in-house clinic staff by qualified personnel and conduct regular health and wellness talks for employees. In compliance with the requirements of the National Health Insurance Act, our employees are given the opportunity to choose a health provider nearest to their residence, for health-related matters outside the workplace. Health related activities were also carried out to improve the staff health and well-being such as:

- Jog June; An initiative to drive employee wellness and fitness by encouraging exercise and taking more physical steps.
- Awareness on Breast Cancer and Prostrate Cancer for the women and men respectively.
- Financial sessions on taxation and investment to equip employees with financial knowledge to plan for their personal goals and objectives.
-

The company is fully compliant with the provisions of the revised Pension Reform Act, 2014. BPN staff also enjoy highly subsidised meals served in a hygienically maintained canteen.

In line with section 40 of the 1999 Constitution of the Federal Republic of Nigeria on the right to freedom of association, the activities of Trade Unions are accommodated and we've been able to achieve industrial harmony over time.



2023 SUSTAINABILITY REPORT (CONT'D)

1 NO POVERTY



5 GENDER EQUALITY



4. **Corporate Social Responsibility**

CSR plays a pivotal role to the tenets of good corporate governance which BPN adheres to.

Berger Paints Nigeria Plc Corporate Social Responsibility (CSR) policy refers to the company's sense of responsibility towards various groups affected by the company's activities; these groups include the community, society, customers, suppliers, employees, shareholders and the environment.

OBJECTIVES

The objectives of BPN Plc Corporate Social Responsibility (CSR) are as follows:

- Conduct business in a socially responsible and ethical manner
- Protect the environment where BPN operates
- Ensure safety of staff/suppliers/vendors/partners/people
- Protect customers
- Support human rights
- Engage, respect and support host communities
- Support society and humanities

BPN CSR PILLARS

The following are BPN CSR Focus Areas:

- Education
- Health
- Charities
- The Environment

Berger Paints Nigeria Plc will commit a certain percentage (no less than 0.1%) of her annual Profit Before Tax (PBT) to various CSR projects based on the BPN CSR Pillars.

Education - We will actively seek educational advancement projects such school painting and beautification, volunteer teaching, support for teachers, building renovation, scholarship for students, factory excursion, painters' academy. This will cover professional and educational institutions. Other areas identified are as follows:

- a. There are relatable courses such as Painting Technology and Introduction to Building Materials (Paints is one of the topics studied). We would facilitate a lecture on paints.
- b. BPN could provide paint samples to selected higher institutions and also donate Paint Accessories for Students learning purposes.
- c. Students Excursion - The higher institutions will organise annual excursions to BPN and we will ensure the students have very good knowledge of BPN products.
- d. Industrial Attachment - Best students in Architecture or Industrial Chemistry could be given the opportunity for 3 - 6 months' work experience in BPN
- e. BPN will institute an award for best graduating students in Industrial Chemistry/Architecture or Building Technology.
- f. BPN will reward teachers in the STEM category of primary and secondary schools to encourage development of STEM.



2023 SUSTAINABILITY REPORT (CONT'D)

Health - We will contribute to health institutions by supporting relevant projects such as paint donation, painting, equipment donation. We will sponsor community healthcare service within the host community by providing free medical consultation services and provision of basic medication.

Charities - We recognise that there are inner city communities within our society as well as orphanages, old people's home, school for the challenged, community groups etc. These segments of the community would be supported.

Environment - We will contribute to a safe environment by providing and complimenting government activities through various environmental and socially impacting initiatives such as the provision of pedestrian crossing and other road marking signs. We will also beautify the environment by provision of gardens, painting of listed buildings, etc. We will initiate and actively participate in eco-safe initiatives.

BPN will execute varied CSR projects annually and the report will be included in BPN's Annual Reports and Account.

Annually, after consultation with stakeholders, we will review the organisation's priorities out of the four Pillars and set revised priorities and targets for the year ahead.



Taking the Lead

In 2023, BPN re-affirmed commitment to 1st and 4th Pillar of CSR; Education and the Environment.

We carried out an online competition for Teachers and rewarded three Teachers with the sum of ₦150,000 each.

In commemoration of International Day of the Girl Child, we painted the Laboratories of Eva Adelaja secondary and also had a session with the students taking a renowned influencer Tunde Onakoya.

Concerning the environment, we held an online event 'True Colours' where issues concerning sustainable cities and communities were discussed.

We also started an open innovation challenge in partnership with U.K Innovates; a challenge which seeks innovative solutions to convert aged paints, paint fractions and components into usable paints and other beneficial components. The competition started last year, but the entries will be reviewed and pitched and winner announced this year.

BPN remains committed to act responsibly ensuring that our business operations are friendly towards all stakeholders. We are actively developing plans and partnerships to do more and better our sustainability framework as we work towards the green future agenda.



OUR RENOVATED SPACE





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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Berger Paints Nigeria Plc.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Berger Paints Nigeria Plc. ("the Company") and its subsidiary (together, "the Group"), which comprise:

- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of profit or loss and other comprehensive income;
- the consolidated and separate statements of changes in equity;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Company and its subsidiary as at 31 December 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements* section of our report. We are independent of the Group and Company in accordance with International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Revenue Recognition

Revenue recognized impacts the key performance indicators on which the Company and its Directors are assessed. Its significance makes revenue a matter of focus in our audit. Furthermore, the recognition and measurement of revenue from rendering painting services to customers require the application of judgement by management in the estimation of the percentage of completion of individual contracts as at year-end. The significance of the amount involved makes this a key audit matter in the separate financial statements.

How the matter was addressed in our audit:

Our audit procedures included the following:

- We evaluated the design, implementation and operating effectiveness of key controls established within the revenue process;
- We selected a sample of revenue transactions using statistical sampling methods and agreed to invoices and waybills.
- We assessed the accuracy of a sample of sales returns and rebates by checking them to supporting documentation such as approved credit notes to customers;

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- We assessed the Company's basis for recognition and measurement of revenue from contract services rendered to customers by recalculating the proportion of cost incurred relative to the total expected cost;
- We selected a sample of transactions occurring prior to and immediately after year-end using statistical sampling technique and checked that they have been recognized in the appropriate financial period;
- We tested the existence of a sample of revenue transactions by agreeing to Bank statements.
- We assessed the adequacy of revenue disclosures by ensuring the information is in line with the required standards.

The Company's accounting policy and notes on revenue are shown in Notes 3(K) and 5 respectively of the accompanying financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the Financial Highlights, Directors Report, Report of the Audit Committee, Statement of Directors' Responsibilities for the preparation and approval of the financial statements, Statement of Corporate Responsibility for the consolidated and separate Financial Statements, Certification of Management's Assessment of Internal Control over Financial Reporting, Management's Report on the Effectiveness of Internal Control over Financial Reporting and Other National Disclosures which we obtained prior to the date of this auditors' report, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Other information also includes financial and non-financial information such as the Mission Statement, Vision Statement, Shared Values, Corporate Profile, Board of Directors, Directors' Profile, Chairman's Statement, Notice of Annual General Meeting, Shareholders' information, Corporate Social Responsibility, Responsibility Activities together the "Outstanding reports", which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

When we read the Outstanding reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is



higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020.

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- iii. The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 December 2023. The work performed was done in accordance with ISAE 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. We have issued an unmodified conclusion in our report dated 31 March 2024. The report is included on page 23-24 of the annual report.

Signed:

Omolara O. Ogun, FCA
FRC/2012/ICAN/0000000412
For: KPMG Professional Services
Chartered Accountants
31 March 2024
Lagos, Nigeria





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Independent Auditor's Limited Assurance Report

To the Shareholders of Berger Paints Nigeria Plc

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

Conclusion

We have performed a limited assurance engagement on whether internal control over financial reporting of Berger Paints Plc ("the Company") and its subsidiary (together "the Group") as of 31 December 2023 is effective in accordance with the criteria established by Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and the Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Group's internal control over financial reporting as of 31 December 2023 is not effective, in all material respects, in accordance with the COSO Framework and the Securities and Exchange Commission Guidance on Implementation of Sections 60 – 63 of Investments and Securities Act 2007.

Basis for conclusion

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

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

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

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

Other matter

We have audited the consolidated and separate financial statements of Berger Paints Nigeria Plc in accordance with the International Standards on Auditing, and our report dated 31 March 2024 expressed an unmodified opinion of those consolidated and separate financial statements. Our conclusion is not modified in respect of this matter.

Responsibilities for Internal Control over Financial reporting

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

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Registered in Nigeria No BN 986925

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Our responsibilities

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

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

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

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

Definition and Limitations of Internal Control Over Financial reporting

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

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

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

Signed:

Omolara O. Ogun, FCA
FRC/2012/ICAN/00000000412
For: KPMG Professional Services
Chartered Accountants
31 March 2024
Lagos, Nigeria



SEPARATE AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

In thousands of naira

		Group	Company	Company
		31-Dec-23	31-Dec-23	31-Dec-22
Assets	Notes			
Property, plant and equipment	14(a)	2,514,306	2,500,019	2,400,715
Right of use asset	14(f)	18,347	18,347	50,651
Intangible assets	15	17,602	17,602	27,827
Tax assets	11(c)ii.	-	-	42,050
Investment property	16	341,514	341,514	361,874
Investment in subsidiary	29	-	20,000	-
Total non-current assets		2,891,769	2,897,482	2,883,117
Inventories	17	2,148,260	2,148,260	1,366,787
Trade and other receivables	18(a)	297,129	310,035	243,351
Deposit for imports	19	46,601	46,601	87,925
Prepayments and advances	20	153,433	153,433	91,763
Other financial assets	22	257,122	257,122	359,747
Cash and cash equivalents	21	802,287	798,037	495,838
Total current assets		3,704,832	3,713,488	2,645,411
Total assets		6,596,601	6,610,970	5,528,528
Equity				
Share capital	23(a)	144,912	144,912	144,912
Share premium	23(b)	635,074	635,074	635,074
Retained earnings		2,727,948	2,751,415	2,543,459
Total equity		3,507,934	3,531,401	3,323,445
Liabilities				
Loans and borrowings	26	322,815	322,815	-
Deferred income	25	166,138	166,138	59,005
Deferred taxation	11(d)	533,748	533,748	455,882
Total non-current liabilities		1,022,701	1,022,701	514,887
Loans and borrowings	26	22,403	22,403	25,131
Current tax liabilities	11(c)	184,330	184,330	14,759
Trade and other payables	24	1,418,884	1,409,786	1,226,474
Deferred income	25	58,068	58,068	33,036
Dividend payable	27	382,281	382,281	390,796
Total current liabilities		2,065,966	2,056,868	1,690,196
Total liabilities		3,088,667	3,079,569	2,205,083
Total equity and liabilities		6,596,601	6,610,970	5,528,528

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



Abi Ayida (FRC/2019/IODN/00000019260)

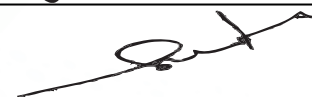
Chairman



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

Director

Additionally certified by:



Onyebuchi Roberts (FRC/2013/PRO/ICAN/001/00000002109)

Chief Finance Officer

The accompanying notes form an integral part of these consolidated and separate financial statements

* There is no comparative information for the Group as 31 December 2023 is the first year of consolidation.



CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

In thousands of naira	Notes	Group *	Company	Company
		31-Dec-23	31-Dec-23	31-Dec-22
Revenue	5	7,967,546	7,910,181	6,331,634
Cost of sales	9(a)(ii)	(5,259,377)	(5,214,061)	(4,326,316)
Gross profit		2,708,169	2,696,120	2,005,318
Other income	6	83,985	83,985	92,534
Selling and distribution expenses	9(a)(ii)	(526,991)	(525,909)	(316,082)
Administrative expenses	9(a)(ii)	(1,558,452)	(1,524,018)	(1,384,169)
Operating profit before impairment charges		706,711	730,178	397,601
Writeback/(impairment) of receivables	8	44,566	44,566	(11,579)
Operating profit		751,277	774,744	386,022
Finance income	7	53,458	53,458	17,319
Finance costs	7	(28,419)	(28,419)	(15,551)
Net finance income		25,039	25,039	1,768
Profit before minimum tax		776,316	799,783	387,790
Minimum tax expense	12	-	-	(32,211)
Profit before income tax	8	776,316	799,783	355,579
Income tax expense	11(a)	(330,986)	(330,986)	(146,909)
Profit for the year		445,330	468,797	208,670
Other comprehensive income				
Other comprehensive income for the period		-	-	-
Total comprehensive income for the year		445,330	468,797	208,670
Earnings per share:				
Basic and diluted earnings per share (kobo)	13	154	162	72

The accompanying notes form an integral part of these consolidated and separate financial statements

* There is no comparative information for the Group as 31 December 2023 is the first year of consolidation.



CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 December 2023

<i>In thousands of naira</i>	Note	Share Capital	Share Premium	Retained Earnings	Total Equity
Group*					
Balance at 1 January 2023		144,912	635,074	2,543,459	3,323,445
Comprehensive income for the period					
Profit for the period		-	-	445,330	445,330
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	445,330	445,330
Transactions with owners, recorded directly in equity					
Dividends declared	27	-	-	(260,841)	(260,841)
Total transactions with owners		-	-	(260,841)	(260,841)
Balance at 31 December, 2023		144,912	635,074	2,727,948	3,507,934
Company					
Balance at 1 January 2023		144,912	635,074	2,543,459	3,323,445
Comprehensive income for the period					
Profit for the period		-	-	468,797	468,797
Total comprehensive income for the period		-	-	468,797	468,797
Transactions with owners, recorded directly in equity					
Dividends declared	27	-	-	(260,841)	(260,841)
Total transactions with owners		-	-	(260,841)	(260,841)
Balance at 31 December 2023		144,912	635,074	2,751,415	3,531,401
Balance at 1 January 2022		144,912	635,074	2,450,718	3,230,705
Comprehensive income for the period					
Profit for the period		-	-	208,670	208,670
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	208,670	208,670
Transactions with owners, recorded directly in equity					
Dividends declared	27	-	-	(115,929)	(115,929)
Total transactions with owners		-	-	(115,929)	(115,929)
Balance at 31 December 2022		144,912	635,074	2,543,459	3,323,445

The accompanying notes form an integral part of these consolidated and separate financial statements

* There is no comparative information for the Group as 31 December 2023 is the first year of consolidation.



CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the year ended 31 December 2023

In thousands of naira	Note	Group*	Company	Company
		31-Dec-23	31-Dec-23	31-Dec-22
Cash flows from operating activities				
Profit for the period		445,330	468,797	208,670
Adjustments for:				
- Depreciation	9(b)	226,046	224,352	239,541
- Transfer of property, plant and equipment	14	-	11,260	-
- Amortisation	15	10,877	10,877	8,325
- Finance income	7	(53,458)	(53,458)	(17,319)
- Writeback/ (Impairment loss) on trade receivables	8	44,566	44,566	(11,579)
- Interest expense on lease liabilities	7	-	-	3,011
- Interest expense on financial liabilities measured at amortised cost	7	28,419	28,419	12,540
- Profit from disposal of property, plant and equipment	6	(18,514)	(18,514)	-
- Minimum tax expense	12	-	-	32,211
- Taxation	11(a)	330,986	330,986	146,909
		1,014,252	1,047,287	622,309
Changes in:				
- Inventories	17	(781,473)	(781,473)	(200,171)
- Trade and other receivables	18©	(98,344)	(111,250)	45,618
- Deposit for imports	19	41,324	41,324	(85,251)
- Prepayments and advances	20(a)	(88,410)	(88,410)	(77,347)
- Trade and other payables	24©	192,411	183,312	307,689
- Deferred income	25	132,165	132,165	(28,006)
		411,925	422,955	584,841
Cash generated from operating activities		411,925	422,955	584,841
Tax paid	11©	(14,759)	(14,759)	(13,323)
Net cash generated from operating activities		397,166	408,196	571,518
Cash flows from investing activities				
Purchase of property, plant and equipment	14(g)	(288,808)	(284,088)	(44,773)
Acquisition of intangible assets	15	(652)	(652)	-
Proceeds from sale of property, plant and equipment		20,348	20,348	-
Interest income on other financial assets	7	30	30	732
Additions to investment in financial assets	22	-	-	(27,389)
Proceed from liquidation of investment	22	143,171	143,171	-
Investment in subsidiary		-	(20,000)	-
Net cash used in investing activities		(125,911)	(141,191)	(71,430)
Cash flows from financing activities				
Proceeds from to loans and borrowings	26(b)	345,604	345,604	-
Repayment of borrowings	26(b)	(25,131)	(25,131)	(126,652)
Interest paid	26(b)	(15,923)	(15,923)	(6,687)
Dividend paid	27	(269,356)	(269,356)	(88,540)
Net cash generated from/(used) in financing activities		35,194	35,194	(221,879)
Net decrease in cash and cash equivalents		306,449	302,199	278,209
Cash and cash equivalents at 1 January		495,838	495,838	217,629
Cash and cash equivalents at 31 December	21	802,287	798,037	495,838

The accompanying notes form an integral part of these consolidated and separate financial statements

* There is no comparative information for the Group as 31 December 2023 is the first year of consolidation.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

1 General Information

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 lease of investment property as a lessor.

Swift Painting Nigeria Limited was incorporated as a private limited liability company in 2022 and commenced business operations on 1 January 2023. Swift Painting is a subsidiary of Berger Paint Nigeria Plc and it is wholly own by Berger Paints Nigeria Plc. The principal activity of the subsidiary is rendering of professional painting services with the use of modern technology. They also provides technical support, trained applicators, mechanized tools and advanced products for cleaner and better paint results in homes, offices and factories. The consolidated financial statements for the year ended 31 December 2023 comprise the results and the financial position of the Company and its subsidiary (together referred to as "the Group"). This is the first year of consolidation, and as such, there is no comparative information. The separate financial statements for the year ended 31 December 2023 comprise those of the Company only.

2 Basis of preparation

(a) Statement of compliance

The Group and Company's financial statements for the year ended 31 December 2023 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023. The consolidated and separate financial statements were authorised for issue by the Board of Directors on 28 March, 2024.

(b) Basis of measurement

The financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following:- Government grant (recognised as deferred income) measured at fair value. - Inventories: Lower of cost and net realisable value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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

(c) Basis of Consolidation

The Group financial statements incorporate the financial statements of the Parent Company and entities controlled by the Company and its subsidiary made up to 31 December 2023. Control is achieved where the investor; (i) has power over the investee entity (ii) is exposed, or has rights, to variable returns from the investee entity as a result of its involvement, and (iii) can exercise some power over the investee to affect its returns.

The Company reassesses whether or not it still controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiary align with the policies adopted by the Group.

Income and expenses of the subsidiary acquired or disposed off during the period are included in the consolidated statement of profit or loss and consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners' of the Company.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

(c)I Investments in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment that has been recognised in profit or loss. The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

Investments in subsidiaries are eliminated on consolidation in the Group financial statements. Management performs an assessment at the end of each reporting period to determine whether there is any indication that the Investment in the subsidiaries may be impaired.

(c)ii Receivables from subsidiaries

Receivables from subsidiaries include long term receivables which are deemed to be net investments in subsidiaries.

(c)iii Transactions eliminated on consolidation

All intra-group balances and any gain and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c)iv Changes in the Group's ownership interests in existing subsidiary

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(d) Functional and presentation currency

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

(e) Use of judgment and accounting estimates

In the preparation of these consolidated and separate financial statements, management has made judgments, estimates and assumptions that affect the application of the Group'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 material effect on the amounts recognised in the financial statements are included in the following notes:



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

Note 3(Q) and 31	leases: whether an arrangement contains a lease
Note 3(D),(F), 14 and 16	determination of the useful life of leasehold land
Note 3(K) and 5	revenue recognition and measurement of revenue from rendering of painting services

(e) Use of judgment and accounting estimates (cont'd)

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

Note 2(f) and 30(a)	determination of fair values
Note 3(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.

(f) Measurement of fair values

A number of the Group'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 Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

The Group 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 Material Accounting Policies

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



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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A. Foreign currency transactions

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

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

B. Financial instruments

i. Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the consolidated and separate statements of financial position when a member of the Group or the Company becomes a party to the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e. purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned, are accounted for at the trade date.

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 Group 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 Group'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.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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 Group 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 Group 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.

Business model assessment:

The Group 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 Group'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;



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

Financial Assets- Assessment whether contractual cash flows are solely payments of principal and interest: For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

In making this assessment, the Group 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 sole 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.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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

Financial liabilities- Classification, subsequent measurement and gains and losses

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

The Group'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 Group 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group 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 Group 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



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

Group'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 Group. 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.

iii. Retained earnings

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

iv. Fair value reserve

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

D. Property, plant and equipment

i. Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Items of property, plant and equipment under construction are disclosed as capital work-in-progress. If significant part of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

ii. Subsequent cost

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

iii. Derecognition

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

Gains and losses on derecognition or disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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	–	Indefinite
• 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	–	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 in capital work in progress is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly."

E. Intangible assets

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

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

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



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For the year ended 31 December 2023

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.

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.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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	–	Indefinite

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



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For the year ended 31 December 2023

For trade receivables, the Group 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 financial assets, Company applies a general approach in calculating the ECLs. The Group 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 Group 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 Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

vi **Non-financial assets**

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the Profit or loss.

H. Provisions, contingent liabilities and contingent assets

A provision is recognised, if, as a result of a past event, the Group 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.

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 Group, 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 consolidated and separate 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 the Consolidated and separate 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 consolidated and Separate financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

I. Employee benefits

i. Defined contribution plan

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Group 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 Group 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.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

On 1 January 2016, the Group increased the employer contributions to the scheme to 15% of employee's annual basic salary, housing and transport allowances. The additional 5% relate to contribution for terminal benefit

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. This includes wages, salaries, bonuses, paid annual leave, sick leave and other contributions. Except when they qualify for capitalisation, these benefits are expensed in the period in which the associated services are rendered by employees of the Group.

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 Group 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 Group 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.

J. 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.

K. Revenue by nature

(i) Revenue from contract with customers

a Sale of paints and allied products

The Group recognised 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



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For the year ended 31 December 2023

Group 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 Group'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.

L. Finance income and finance costs

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

M. Production Cost of sales

Production cost of sales represents decreases in economic benefits during the accounting period that are directly or indirectly attributable to manufacturing inventory for sale

N. Government grant

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



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Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group 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 Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

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

O. Taxation

Income tax

Income tax expense comprises current tax (Company Income Tax, Tertiary Education Tax, Nigeria Police Trust Fund levy and Capital gains tax) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Group 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 Consolidated and separate 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



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For the year ended 31 December 2023

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 Group 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 Group:

- (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 Group 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 Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

(c) **Minimum tax expense**

The Group is subject to the Finance Act, 2023 which amends the Company Income Tax Act (CITA). Total amount of tax payable under the Finance Act, 2023 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 Group 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 Group 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**

i. **As a lessee**

The Group 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



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underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group 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, plant 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 Group's incremental borrowing rate. Generally, the Group uses interest rate implicit in the lease liability agreement as the discount rate.

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

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group 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 Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group 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.

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

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group 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 Group 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



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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 Group 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 Group 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 Group applies IFRS 15 to allocate the consideration in the contract.

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

The Group 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 Group as a lessor in the comparative period were not different from IFRS 16.

R. Statement of cashflows

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating, investing and financing activities. The Group applies the indirect method for the preparation of the statement of cash flows. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items have been adjusted for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while interest income is included in investing activities.

S. Operating Segment

An operating segment is a distinguishable component of the Group 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 Group's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Group'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 Group, 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 Group'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.



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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. Cash and cash equivalent

The Group considers all highly liquid unrestricted investments with less than three months maturity from the date of acquisition to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

V. Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. For short term trade receivables, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value due to the insignificant impact of discounting.

W. 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 Group 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.

X. 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 Group expects to receive future economic benefits equivalent to the value of the deposit made.

Y. Investment in subsidiary

Subsidiaries are entities controlled by the Group. 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.

Z. 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 entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

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 Company.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

AA. Trade and other payable

Trade and other payables are recognised when the Group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method. The effective interest rate exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs. Trade and other payables expose the Group and Company to liquidity risk and possibly to interest rate risk.

4 Application of new and revised international Financial Reporting Standards (IFRSs)

New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial statements

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) for accounting periods that begin on or after 1 January 2023.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors- Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty" The definition of a change in accounting estimates was deleted.

Although the amendments did not result in any changes to the accounting policies themselves, the amendments require the disclosure of "material" rather than "significant" accounting policies. This has been adopted in these consolidated and separate financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements-Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

This has no material impact on the Group Financial Statements

New and revised IFRSs in issue but not effective

IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

Amendments to IAS 1
Amendments to IAS 21

Classification of Liabilities as Current or Non-current
Lack of Exchangeability

IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

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

The effective date of the amendments is yet to be set by the IASB; however, earlier application of the amendments is permitted.

Directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. As part of the amendments, the IASB amended an illustrative example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability. The effective date of the amendment is for years beginning on or after 1 January 2024.

These amendments are not expected to have a material impact on the Group Financial Statements.

Amendments to IAS 1 Presentation of Financial Statements - Non Current Liabilities with Convents

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date. The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants. The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted.

The Directors anticipate that the application of these amendments may have an impact on the group's consolidated



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

financial statements in future periods.

Amendments to IAS 7 statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

The amendments introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for an entity to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the entity's liabilities and cash flows, and its exposure to liquidity risk. Transparency is expected under existing IFRS Accounting Standards. However, the amendments introduce specific requirements for entities to provide the information users need. The effective date of the amendment is for years beginning on or after 1 January 2024. The Directors of the parent company anticipate that these amendments are expected to have a material impact on the Group Financial Statements.

Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted.

The Directors of the parent company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods if such transactions arise.

Amendments to IAS 21 - Lack of Exchangeability

The amendments apply for annual reporting periods beginning on or after 1 January 2025, with early application permitted.

The amendments clarifies:

- when a currency is exchangeable into another currency; and
- how a Company estimates a spot rate when a currency lacks exchangeability.

Assessing exchangeability: When to estimate a spot rate

A currency is exchangeable into another currency when a Company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a Company needs to estimate a spot rate.

Estimating a spot rate: Meeting the estimation objective

A Company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements on how to estimate a spot rate. Therefore, when estimating a spot rate a Company can use:

- an observable exchange rate without adjustment; or
- another estimation technique.

Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

estimated exchange rate on the financial statements. This may include:

- the nature and financial impacts of the currency not being exchangeable
- the spot exchange rate used;
- the estimation process; and
- risks to the Company because the currency is not exchangeable

5 Revenue

(a) Revenue stream for the period comprises:

<i>In thousands of naira</i>		Recognition policy	Group* 31-Dec-23	Company 31-Dec-23	Company 31-Dec-22
(i)	Revenue from contract with customers				
-	Sale of paints and allied products*	At a point in time	7,603,703	7,603,703	6,198,304
-	Contract services	Over time	363,843	306,478	133,330
			7,967,546	7,910,181	6,331,634

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

<i>In thousands of naira</i>	Group 31-Dec-23	Company 31-Dec-23	Company 31-Dec-22
Revenue (net of value added tax)	9,259,710	9,259,710	7,544,251
Discounts and rebates	(1,656,007)	(1,656,007)	(1,345,947)
	7,603,703	7,603,703	6,198,304

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

(b) Contract balances

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

<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Billed receivables in respect of sales of paints and allied products	219,370	201,877	229,919
Unbilled receivables in respect of contract services	1,772	1,772	2,591
Trade receivables (Note 18(a))	221,142	203,649	232,510

(c) Revenue included in contract liability balance at the beginning of the year

The revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was nil (2022: Nil).

6 Other income

Other income comprises:

<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Sale of scrap	19,290	19,290	18,766
Income on property leases*	33,315	33,315	43,134
Profit from disposal of property, plant and equipment	18,514	18,514	-
Insurance claims received	184	184	-
Sale of raw materials	5,682	5,682	9,336
Income from enrolment of new distributors	7,000	7,000	21,298
	83,985	83,985	92,534

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

7 Finance income and finance cost

Recognised in profit or loss:	Group	Company	Company
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Interest income on bank deposits	30	30	732
Interest income on other financial assets	40,546	40,546	14,750
Foreign currency exchange loss	-	-	(617)
Government grant	12,882	12,882	2,454
Total finance income	53,458	53,458	17,319
Interest expense on lease liabilities	-	-	(3,011)
Interest expense on financial liabilities measured at amortised costs.	(28,419)	(28,419)	(12,540)
Total finance cost	(28,419)	(28,419)	(15,551)
Net finance income recognised in profit or loss	25,039	25,039	1,768

8 Profit before income tax

Profit before tax is stated after charging/(crediting):		Group	Company	Company
<i>In thousands of naira</i>	Note	31-Dec-23	31-Dec-23	31-Dec-22
Directors' emoluments	9(a)	88,068	88,068	56,648
Depreciation	9(b)	226,046	224,352	- 239,541
Amortisation	15	10,877	10,877	8,325
Personnel expenses	10(a)	841,665	831,486	762,878
Auditors' remuneration	9(a)	29,250	27,000	23,000
(Write back)/Impairment loss on trade receivables	18(b)	(44,566)	(44,566)	11,579
Minimum tax	12	-	-	32,211
Profit on disposal of property, plant and equipment	6	(18,514)	(18,514)	-

9 (a) Expenses

(i) Analysis of expenses by nature		Group	Company	Company
<i>In thousands of naira</i>	Note	31-Dec-23	31-Dec-23	31-Dec-22
Directors emoluments	10(d)	88,068	88,068	56,648
Personnel expenses	10(a)	841,665	831,486	762,878
Training expenses		444	444	1,340
Repairs and maintenance		126,832	126,832	101,424
Office and corporate expenses		157,049	136,738	72,256
License and permits		41,931	41,931	29,257
Utilities		192,086	192,086	116,782
Insurance		53,687	53,687	22,295
Travel, transport and accommodation		160,004	160,004	96,416
Rent, rate and levies		1,997	1,997	1,544
Subscriptions		16,178	16,178	5,368
Donations		1,047	1,047	694
Depreciation	9(b)	226,046	224,352	239,541
Amortisation	15	10,877	10,877	8,325
Printing and stationery		6,476	6,476	26,495
Legal and professional services fees *		86,312	86,312	96,798
Auditors' remuneration		29,250	27,000	23,000
Bank charges		16,667	16,667	11,472
Advertisement and publicity expenses		158,792	157,710	76,865
Distribution expenses		370,629	370,629	250,796

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

Raw materials and consumables	4,469,555	4,424,239	3,939,360
Foreign currency exchange loss	80,207	80,207	-
Contract services expenses	209,021	209,021	98,592
	7,344,820	7,263,988	6,038,146

In thousands of naira

Summarised as follows:

	Group	Company	Company
	31-Dec-23	31-Dec-23	31-Dec-22
(ii) Cost of sales	5,259,377	5,214,061	4,326,316
Selling and distribution expenses	526,991	525,909	327,661
Administrative expenses	1,558,452	1,524,018	1,384,169
Total cost	7,344,820	7,263,988	6,038,146

(b) Depreciation

In thousands of naira

Depreciation charged for the period comprises:

	Note	Group	Company	Company
		31-Dec-23	31-Dec-23	31-Dec-22
Depreciation of property, plant and equipment	14(a)	173,382	171,688	178,422
Depreciation of right of use	14(f)	32,304	32,304	40,759
Depreciation of investment property	16	20,360	20,360	20,360
Total depreciation		226,046	224,352	239,541

* During the year, the Company's auditor, KPMG Professional Services, earned fees relating to the performance of non-audit services. These fees are included in professional services fees. See Note 32

10 Personnel expenses

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

	Group	Company	Company
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Salaries, wages and allowances	782,010	771,831	719,005
Employer contribution to compulsory pension fund scheme	59,655	59,655	43,873
	841,665	831,486	762,878

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

		31-Dec-23	31-Dec-23	31-Dec-22
	N		Number	Number
1	-	500,000	-	-
500,001	-	1,000,000	-	-
1,000,001	-	1,500,001	11	9
1,500,001	-	2,000,001	21	23
2,000,001	-	3,000,001	48	48
3,000,001	and above		50	47
			130	127



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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

	31-Dec-23	31-Dec-23	31-Dec-22
		Number	Number
Production	20	20	20
Sales and marketing	44	42	41
Finance	9	9	9
Human Resource	12	12	12
Maintenance	6	6	6
Admin/Corporate	6	6	6
Logistics & Supply Chain	4	4	4
Internal Control	15	15	15
Information Technology (IT)/CSR	2	2	2
Technical & Quality Assurance	5	5	5
Risk Management	7	7	7
	130	128	127

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

	Group	Company	Company
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Fees paid to non-executive directors	56,742	52,717	56,648
Salaries	35,351	35,351	31,744
	92,093	88,068	88,392

The directors' remuneration shown above includes:

<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Chairman	9,000	7,500	7,500
Highest paid director	35,351	35,351	31,744

Other directors received emoluments in the following ranges:

	31-Dec-23	31-Dec-23	31-Dec-22
N		Number	Number
250,001 - 1,000,000	-	-	-
1,000,001 - 3,000,000	-	-	-
3,000,001 - 5,000,000	4	4	4
5,000,001 - 8,000,000	1	1	1
	5	5	5

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:

	Group	Company	Company
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Current tax expense:			
Nigerian Police Trust Fund Levy (NPTF)	40	40	19
Company income tax	215,191	215,191	-
Tertiary education tax	30,295	30,295	14,740
WHT credit notes impaired	7,594	7,594	-
	253,120	253,120	14,759



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

Deferred tax expense/(credit):			
Origination and reversal of temporary differences (Note 11 (d))	77,866	77,866	132,150
Income tax expense	330,986	330,986	146,909

(b)	Reconciliation of effective tax rate:						
		Group		Company			
		31-Dec-23	31-Dec-23	31-Dec-22	31-Dec-22		
	<i>In thousands of naira</i>						
	Profit for the period	445,330	468,797		208,670		
	Taxation	330,986	330,986		146,909		
	Profit before taxation	776,316	799,783		355,579		
	Income tax using the Company's domestic rate of 30%	30.0	232,895	30.0	239,935	30.0	106,674
	Tertiary education tax @ 3% (2022: 2.5%)	3.0	23,289	3.0	23,993	2.5	8,889
	Effect of						
	- Nigeria Police Trust Fund (NPTF) levy	0.0	40	0.0	40	0.0	19
	- Non-deductible expenses	8.0	62,119	6.8	54,375	9.2	32,640
	- Tax exempt income	0.0	-	0.0	-	(0.2)	(798)
	- Tax incentives	0.0	-	0.0	-	(0.1)	(515)
	- Net WHT notes impaired	1.0	7,594	0.9	7,594	0.0	-
	- Change in tax rate	0.7	5,049	0.6	5,049	0.0	-
	Tax expense	42.6	330,986	41.4	330,986	41.3	146,909

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

i.	Current tax liabilities	Group	Company	Company
	<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
	Balance as at 1 January	14,759	14,759	8,622
	Current period charge	245,526	245,526	14,759
	Minimum tax charge	-	-	32,211
	Cash payments	(14,759)	(14,759)	(13,323)
	Set-off of current tax assets	(61,196)	(61,196)	(27,510)
	Balance as at period end (A)	184,330	184,330	14,759
ii.	WHT credit notes			
	Balance as at 1 January	42,050	42,050	20,120
	Additions	26,740	26,740	49,440
	WHT credit notes impaired	(7,594)	(7,594)	-
	Set-off of current tax assets	(61,196)	(61,196)	(27,510)
	Balance as at period end (B)	-	-	42,050
	Total net current (liabilities) / tax assets as at 31 December (A+B)	(184,330)	(184,330)	27,291

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

(d) Movement in deferred taxation
In thousands of naira

	Balance at 1 January	Recognised in profit or loss	Net	Deferred tax assets	Deferred tax liabilities
Group					
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 loss	(201)	(26,264)	(26,465)	(26,465)	-
Net tax (assets)/liabilities	455,882	77,866	533,748	(68,232)	601,980
Company					
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 loss	(201)	(26,264)	(26,465)	(26,465)	-
Net tax (assets)/liabilities	455,882	77,866	533,748	(68,232)	601,980
Company					
31 December 2022					
Property, plant and equipment	390,099	138,488	528,587	-	528,587
Allowance on trade receivable	(54,703)	(5,119)	(59,822)	(59,822)	-
Right of use assets	14,012	(14,012)	-	-	-
Provision for gratuity discontinued	(713)	-	(713)	(713)	-
Provision for slow moving inventories	(24,963)	12,994	(11,969)	(11,969)	-
Unrealised exchange loss	-	(201)	(201)	(201)	-
Net tax (assets)/liabilities	323,732	132,150	455,882	(72,705)	528,587

12 Minimum tax

Minimum tax Comprises:

In thousands of naira

	Group 31-Dec-23	Company 31-Dec-23	Company 31-Dec-22
Minimum tax	-	-	32,211
Minimum tax expenses	-	-	32,211

13 Basic and diluted earnings per share

Basic earnings per share of 154 kobo and 162 kobo (31 December 2022: 72 kobo) is based on the Group's profit and Company profit for the year of ₦445.3 million and ₦468.8 million (31 December 2022: Company - ₦208.7 million) respectively and on 289,823,447 (2022: 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 SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

14

Property Plant and equipment

(a) Group

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

	Note	Leasehold Land	Buildings	Plants and Machinery	Furniture and fittings	Motor Vehicles	Computer Equipment	Capital work-in progress	TOTAL
Cost at 1 January 2023		390,000	1,313,360	1,560,286	69,255	165,381	172,591	-	3,670,873
Additions		-	-	93,178	37,561	8,025	15,891	134,153	288,808
Disposals		-	-	(23,879)	(4,140)	(27,454)	(6,532)	-	(62,005)
Balance at 31 December 2023		390,000.0	1,313,360.0	1,629,585	102,676.0	145,952.0	181,950	134,153	3,897,676
Accumulated depreciation									
Balance at 1 January 2023		78,081	432,392	432,428	55,924	142,056	129,278	-	1,270,159
Charge for the period	9(b)	-	66,743	71,879	9,623	8,906	16,231	-	173,382
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	-	1,383,370
Carrying amounts									
At 31 December 2023		311,919	814,225	1,148,171	41,258	21,607	42,973	134,153	2,514,306
Company									
The movement on these accounts was as follows:									
In thousands of naira									
Cost									
Balance at 1 January 2022		390,000	1,310,200	1,544,573	65,747	148,795	166,786	-	3,626,101
Additions		-	3,160	15,713	3,508	16,586	5,806	-	44,773
Balance at 31 December 2022		390,000	1,313,360	1,560,286	69,255	165,381	172,592	-	3,670,874



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

In thousands of naira

	Note	Leasehold Land	Buildings	Plants and Machinery	Furniture and fittings	Motor Vehicles	Computer Equipment	Capital work-in-progress	TOTAL
Balance at 1 January 2023		390,000	1,313,360.0	1,560,286.0	69,255.0	165,381.0	172,592.0	-	3,670,874.0
Additions		-	0.0	93,178.0	37,561.0	3,700.0	15,496.0	134,153	284,088.0
Disposals		-	0.0	(23,879.0)	(4,140.0)	(27,454.0)	(6,532.0)	-	(62,005.0)
Transfer (a))		-	0.0	(15,045.0)	0.0	(3,700.0)	(489.0)	-	(19,234.0)
Balance at 31 December 2023		390,000	1,313,360	1,614,540	102,676	137,927	181,067	134,153	3,873,723
Accumulated depreciation									
Balance at 1 January 2022		78,081	366,724	356,852	48,992	133,737	107,351	-	1,091,737
Charge for the year	9(b)	-	65,668	75,576	6,932	8,319	21,927	-	178,422
Balance at 31 December 2022		78,081	432,392	432,428	55,924	142,056	129,278	-	1,270,159
Balance at 1 January 2023		78,081	432,392	432,428	55,924	142,056	129,278	-	1,270,159
Charge for the period	9(b)	-	65,668	71,351	9,623	8,906	16,140	-	171,688
Disposals		-	-	(22,893)	(4,129)	(26,617)	(6,532)	-	(60,171)
Transfer (a))		-	-	(7,124.00)	0.00	(542)	(306.00)	-	(7,972.00)
Balance at 31 December 2023		78,081	498,060	473,762	61,418	123,803	138,580	-	1,373,704
Carrying amounts									
At 31 December 2022		311,919	880,968	1,127,858	13,331	23,325	43,314	-	2,400,715
At 31 December 2023		311,919	815,300	1,140,778	41,258	14,124	42,487	134,153	2,500,019

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

(a) Represents transfers of machinery, motor vehicle and computer equipment to subsidiary, Swift Painting Nigeria Limited

(b) Assets pledged as security

No asset of the Company was pledged as security for loan as at 31 December, 2023 (December 2022: Nil)

(c) Impairment of property, plant and equipment

No impairment loss was recognised for the period (December 2022: Nil).

(d) Capital commitments

Capital expenditure commitments for the period ended 31 December 2023 authorised by the Board of Directors comprise:

	Group	Company	Company
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Approved but not contracted	271,273	271,273	342,766
	271,273	271,273	342,766

No Capitalised borrowing cost

(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.

<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Closing capital work in progress is analysed as follows:			
Furniture and fittings	58,540	58,540	-
Buildings	75,613	75,613	-
	134,153	134,153	-

(f) Right of use assets

Right of use assets comprises motor vehicles under finance leases.

<i>In thousands of naira</i>	Group Motor Vehicles	Company Motor Vehicles
Cost		
Balance at 1 January 2022		182,350
Additions		-
Balance at 31 December 2022		182,350
Balance at 1 January 2023	182,350	182,350
Additions	-	-
Balance at 31 December 2023	182,350	182,350
Accumulated depreciation		
Cost at 1 January 2022		90,940
Charge for the year		40,759
Balance at 31 December 2022		131,699
Balance at 1 January 2023	131,699	131,699
Charge for the year	32,304	32,304
Balance at 31 December 2023	164,003	164,003
Carrying amounts		
At 31 December 2022		50,651
At 31 December 2023	18,347	18,347



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

(g)	Additions in statement of cash flows <i>In thousands of naira</i>	Group	Company	Company
		31-Dec-23	31-Dec-23	31-Dec-22
	Additions (Note 14(a))	288,808	284,088	44,773
		288,808	284,088	44,773

15 Intangible assets

<i>In thousands of naira</i>	Note	Group	Company
		Computer Software	Computer Software
Cost			
Cost at 1 January 2022			108,948
Balance at 31 December 2022			108,948
Balance at 1 January 2023		108,948	108,948
Additions		652	652
Balance at 31 December 2023		109,600	109,600
Accumulated amortisation			
Balance at 1 January 2022			72,796
Charge for the year	9(a)		8,325
Balance at 31 December 2022			81,121
Balance at 1 January 2023		81,121	81,121
Charge for the period	9(a)	10,877	10,877
Balance at 31 December 2023		91,998	91,998
Carrying amounts			
At 31 December 2022			27,827
At 31 December 2023		17,602	17,602

The Company's intangible assets represent cost of Microsoft Navision ERP applications licence and technical agreement. 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 for Group and Company amounts to ₦10.8 million and ₦10.8 million (31 December 2022: ₦8.3 million) respectively and is included as part of administrative expenses.

16 Investment property

The movement on this account was as follows:

<i>In thousands of naira</i>	Group	Company	Company
	2023	2023	2022
Cost			
Balance at 1 January	604,468	604,468	604,468
Balance at 31 December	604,468	604,468	604,468
Accumulated depreciation			
Balance at 1 January	242,594	242,594	222,234
Charge for the period	20,360	20,360	20,360
Balance at 31 December	262,954	262,954	242,594
Carrying amounts at period ended	341,514	341,514	361,874

Investment property comprises the Company's land and building at Abuja (hereinafter referred to as Berger Paints Plaza).



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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 year was ₦33.3million (2022: ₦43.1million).

Direct operating expenses (included in repairs and maintenance expenses) arising from investment property that generated rental income during the period was Nil (31 December 2022: Nil)

Depreciation of ₦20.36 million (31 December 2022: ₦20.36 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 ₦2.46 billion (31 December 2022: ₦2.46 billion). The fair value was determined by an external, independent property valuer (Jide Taiwo and Co.) with Financial Reporting Council of Nigeria (FRC) No: FRC/2012/NIESV/000000000254. The valuation was carried out by Ajibola Abiola with FRC number FRC/2022/PRO/NIESV/004/335466. 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.

17 Inventories

(a) <i>In thousands of naira</i>	Group	Company	Company
	31-Dec-23	31-Dec-23	31-Dec-22
Raw and packaging materials	1,276,897	1,276,897	955,795
Finished products	415,731	415,731	401,446
Product-in-process	10,172	10,172	11,570
Consumable spare parts	96,470	96,470	34,802
Goods in transit	371,025	371,025	-
	2,170,295	2,170,295	1,403,613
Impairment allowance	(22,035)	(22,035)	(36,826)
	2,148,260	2,148,260	1,366,787

The cost of inventories recognised as an expense during the year amounted to ₦4.4 billion and ₦4.4 billion in the consolidated and separate financial statement respectively (2022: ₦3.9 billion). In addition, there was no reduction in the carrying amount of inventory during the year (2022: ₦7.8 million) for both Group and Company arising from the write down of inventory to net realizable value. The write down was recognized as an expense and was also included in cost of sales. The total value of the goods in transit have been received after the year end.

(b) Reconciliation of changes in Inventory included in statement of cash flows is as follows

<i>In thousands of naira</i>	Group	Company	Company
	31-Dec-23	31-Dec-23	31-Dec-22
Movement in inventory	(781,473)	(781,473)	(200,171)
Change in inventory per statement of cash flows	(781,473)	(781,473)	(200,171)



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

18 Trade and other receivables comprises:

Trade and other receivables comprises:		Group	Company	Company
(a)	<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
	Trade receivables (Note 5(b))	219,370	201,877	229,919
	Lease receivable	89,804	89,804	83,688
	Staff debtors	1,760	1,760	1,267
	Deposit with company registrar	89,796	89,796	81,036
	Contract assets	1,772	1,772	2,591
	Other receivables	306	306	5,056
	Receivable from related party	-	30,399	23,827
	Total trade and other receivables	402,808	415,714	427,384
	Impairment allowance	(105,679)	(105,679)	(184,030)
	Carrying amount as at period ended	297,129	310,035	243,351

The Company's exposure to credit and currency risks related to trade and other receivables is disclosed in Note 30(b).

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

<i>In thousands of naira</i>		Group	Company	Company
		31-Dec-23	31-Dec-23	31-Dec-22
	Balance at 1 January	184,030	184,030	172,451
	(Write back)/Impairment loss of receivables	(44,566)	(44,566)	11,579
	Bad debt written off	(33,786)	(33,786)	-
	Balance at 31 December	105,679	105,679	184,030

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

<i>In thousands of naira</i>		Group	Company	Company
		31-Dec-23	31-Dec-23	31-Dec-22
	Movement in trade and other receivables	(53,778)	(66,684)	34,656
	Exchange loss	-	-	(617)
	(Write back)/Impairment loss of receivables	(44,566)	(44,566)	11,579
	Changes in trade and other receivables per statement of cash flows	(98,344)	(111,250)	45,618

19 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.

Deposit for imports comprises:

<i>In thousands of naira</i>		Group	Company	Company
(a)		31-Dec-23	31-Dec-23	31-Dec-22
	Deposit for Imports	46,601	46,601	87,925
		46,601	46,601	87,925

(b) Reconciliation of changes in deposit for imports included in statement of cash flows is as follows:

<i>In thousands of naira</i>		Group	Company	Company
		31-Dec-23	31-Dec-23	31-Dec-22
	Movement in deposit for imports	41,324	41,324	(85,251)



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

20 Prepayments and advances

Prepayments and advances comprises:	Group	Company	Company
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Advance payment to suppliers	85,748	85,748	43,470
Prepaid insurance and others	67,685	67,685	48,293
	153,433	153,433	91,763

This represents payments made in advance to Information Technology (IT) Consultants in respect of IT related services. There were no non-current prepayments and advances made at year-end (2022: Nil)

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

<i>In thousands of naira</i>	Group	Company	Company
	31-Dec-23	31-Dec-23	31-Dec-22
Movement in prepayment and advances	(61,670)	(61,670)	(55,417)
Additions to tax assets	(26,740)	(26,740)	(21,930)
Changes in prepayments and advances per statement of cash flows	(88,410)	(88,410)	(77,347)

21 Cash and cash equivalents

Cash and cash equivalents comprises:	Group	Company	Company
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Cash on hand	69	69	195
Investment in short term deposit	130,594	130,594	-
Balance with banks	671,624	667,374	495,643
Cash and cash equivalents	802,287	798,037	495,838

The Company's exposure to credit and market risk for financial assets is disclosed in Note 30(b).

22 Other financial assets

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

As at 31 December 2023, the investment is analysed as stated below:

<i>In thousands of naira</i>	Group	Company	Company
	31-Dec-23	31-Dec-23	31-Dec-22
At 1 January	359,747	359,747	317,608
(Proceed from liquidation of investment) / addition	(143,171)	(143,171)	27,389
Interest income	40,546	40,546	14,750
At 31 December 2023	257,122	257,122	359,747

The Company's exposure to credit and market risk for financial assets is disclosed in Note 30(b).

23 Capital and reserves

(a) Ordinary shares as at 31 December 2023	Group	Company	Company
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
289,823,447 ordinary shares of 50k each (2022: 289,823,447 ordinary shares of 50k each)	144,912	144,912	144,912
Issued and fully paid 289,823,447 ordinary shares of 50k each	144,912	144,912	144,912



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

(b) Share premium	Group	Company	Company
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
At 1 January	635,074	635,074	635,074
At 31 December 2023	635,074	635,074	635,074

24 Trade and other payables

(a) Trade and other payables comprises:	Group	Company	Company
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Trade payables	626,995	617,896.8	681,276
Customer deposits for paints	287,889	287,889.0	210,738
Statutory payables *	164,098	164,097.8	175,414
Related party payables (Note 28 (a))			
Pension payable (Note (b))	17,182	17,182.0	7,655
Provision and accruals **	312,573	312,572.7	141,900
Other payables	10,148	10,147.8	9,491
	1,418,884	1,409,786	1,226,474

Other payables include gratuity and co-operative deductions

The Group and Company's exposure to liquidity risks related to trade and other payables is disclosed in Note 30(b).

(b) Pension payable	Group	Company	Company
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Balance at 1 January	7,655	7,655	5,216
Charge for the year	69,152	69,152	68,974
Remittances	(59,625)	(59,625)	(66,535)
Balance at 31 December	17,182	17,182	7,655

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

<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Movement in trade and other payable	192,410	183,312	307,689
"Changes in trade and other payables per statement of cash flows"	192,410	183,312	307,689

* Statutory payables relates to withholding tax payable, PAYE payable, VAT payable, ITF payable.

** Provisions and accruals relates to provision for rebates, professional and consultancy fees, and expenses.

25 Deferred income

Deferred income comprises:	Group	Company	Company
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Government grant (note (a))	199,877	199,877	65,968
Deferred project income	6,303	6,303	-
Lease income received in advance	18,026	18,026	26,073
Deferred income	224,206	224,206	92,041
Non-current	166,138	166,138	59,005
Current	58,068	58,068	33,036
	224,206	224,206	92,041



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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

In thousands of naira

	31-Dec-23	31-Dec-23	31-Dec-22
Movement in deferred income	(132,165)	(132,165)	28,006
Changes in deferred income per statement of cash flows	(132,165)	(132,165)	28,006

- (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. During the year the Group obtained Bank of Industry loan to augment working capital and for the procurement of plant and machinery for the company's paint manufacturing business. The grant will be amortised on a systematic basis over the average useful life of the asset items.

26 Loans and borrowings

Group

In thousands of naira

31 December 2023

	Non-current liabilities	Current liabilities	Total
Borrowings - Bank of Industry (BOI) Loan	322,815	22,403	345,218
	322,815	22,403	345,218

Company

In thousands of naira

31 December 2023

	Non-current liabilities	Current liabilities	Total
Borrowings - Bank of Industry (BOI) Loan	322,815	22,403	345,218
	322,815	22,403	345,218
Borrowings - BOI Loan	-	25,131	25,131
	-	25,131	25,131

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 30(b).

(a) Terms and repayment schedule

		31 December 2023		31 December 2022			
	Currency	Nominal interest rate	Year of maturity	Face Value	Carrying amount	Face Value	Carrying amount
<i>In thousands of naira</i>							
(i)	Bank of Industry loan	NGN	10%	2023	-	-	26,573
(ii)	Bank of Industry loan (Plant and machinery)	NGN	9%	2029	279,746	179,190	-
(iii)	Bank of Industry loan (Working capital)	NGN	12%	2026	202,588	166,028	-
Total interest-bearing loans					482,334	345,218	26,573
							25,131

Bank of Industry Loan

- i The loan is a Central Bank of Nigeria (CBN) intervention fund through Bank of Industry (BOI), which is secured by a "duly executed Negative Pledge" in favour of Fidelity Bank Plc. The applicable interest rate is 10% per annum. The loan is repayable in seventy monthly instalments between Mar. 2018 to Mar. 2023.
- ii 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).



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

- iii 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).

(b) Movement in loans and borrowings

<i>in thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Balance, beginning of year	25,131	25,131	145,373
Additions	345,604	345,604	-
Repayment of principal	(25,131)	(25,131)	(126,652)
Repayment of interest	(15,923)	(15,923)	(6,687)
Government grant	(12,882)	(12,882)	(2,454)
Interest accrued in profit or loss	28,419	28,419	15,551
Balance, end of the period	345,218	345,218	25,131

27 Dividends

The following dividends were declared and paid by the Company;

	Per share (kobo)	31-Dec-23 N'000	Per share (kobo)	31-Dec-22 N'000
2023 Interim dividend declared	20	57,965	-	-
Dividend declared	70	202,876	40	115,929

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

Dividend payable

The movement in dividend payable is as follows:

<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
At 1 January	390,796	390,796	363,407
Dividend declared	260,841	260,841	115,929
Payments	(269,356)	(269,356)	(88,540)
At 31 December 2023	382,281	382,281	390,796

On March 26, 2024, a final dividend of 80 kobo per share was proposed by the Directors for approval at the Annual General Meeting.

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>	31-Dec-23	31-Dec-23	31-Dec-22
Short-term benefits	127,772	117,593	112,505
Post employment benefits	-	-	2,437
	127,772	117,593	114,942



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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 Payable Receivable/(payable)	
		31 Dec. 2023 N'000	31 Dec. 2022 N'000	31 Dec. 2023 N'000	31 Dec. 2022 N'000
Emychem Limited	Supply of raw materials	-	34,238	-	-
Swift Painting Nigeria Limited	Supply and apply Projects	6,572	23,827	30,399	23,827
		6,572	58,065	30,399	23,827

Emychem Limited

During the period, the Company bought various raw materials from Emychem Limited and also continued with the development of product formulation for the new automated water based paint factory of the Company. The Managing Director of Emychem Limited is Mr. Raj Mangtani and is also a non-executive director on the Board of Directors of Berger Paints Nigeria Plc.

29 Information regarding subsidiaries

29.1 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
Swift Painting Nigeria Limited	Rendering of professional painting services	Nigeria	31 Dec. 2023 100.00%
Lewis Berger Ghana Limited	Dormant	Ghana	100.00%

29.2 Investments in subsidiaries

In thousands of naira		Group	Company	Company
		31 Dec. 2023	31 Dec. 2023	31 Dec. 2022
Swift Painting Nigeria Limited	Rendering of professional painting services	-	20,000	-
Lewis Berger Ghana Limited		-	-	-
		-	20,000	-

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.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

29.3 Eliminations and Adjustments

Elimination and Adjustments relate to the following:

- Non-current assets of ₦20 million is due to the elimination of investment in subsidiaries with the parent's share of their equity.
- Current assets of ₦30.4 million is due to the elimination of current inter-company payable and receivable balances.

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 31 December 2023, 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		Fair value				
31 December 2023		Amortized				
<i>In thousands of naira</i>		Cost	Level 1	Level 2	Level 3	Total
	Note					
Financial assets not measured at fair value						
Other financial assets	22	257,122	-	257,122	-	257,122
Trade and other receivables	18	297,129	-	297,129	-	297,129
Cash and cash equivalents	21	802,287	-	802,287	-	802,287
		1,356,538	-	1,356,538	-	1,356,538
Financial liabilities not measured at fair value						
Loans and borrowings	26	345,218	-	482,334	-	482,334
Trade and other payables*	24	637,143	-	637,143	-	-
Dividend payable	27	382,281	-	382,281	-	-
		1,364,641	-	1,501,758	-	482,334

Company		Fair value				
31 December 2023		Amortized				
<i>In thousands of naira</i>		Cost	Level 1	Level 2	Level 3	Total
	Note					
Financial assets not measured at fair value						
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
		1,365,194	-	1,365,194	-	1,365,194
Financial liabilities not measured at fair value						
Loans and borrowings	26	345,218	-	482,334	-	482,334
Trade and other payables*	24	628,045	-	628,045	-	628,045
Dividend payable	27	382,281	-	382,281	-	382,281
		1,355,544	-	1,492,660	-	1,492,660



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

Company		Fair value				
31 December 2023		Amortized				
<i>In thousands of naira</i>	Note	Cost	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value						
Other financial assets	22	359,747	-	359,747	-	359,747
Trade and other receivables	18	243,351	-	243,351	-	243,351
Cash and cash equivalents	21	495,838	-	495,838	-	495,838
		1,098,936	-	1,098,936	-	1,098,936
Financial liabilities not measured at fair value						
Loans and borrowings	26	25,131	-	25,131	-	25,131
Trade and other payables*	24	690,767	-	690,767	-	690,767
Dividend payable	27	390,796	-	390,796	-	390,796
		1,106,694	-	1,106,694	-	1,106,694

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.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

(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.

(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:

	Group	Company	Company
<i>In thousands of naira</i>	31 Dec. 2023	31 Dec. 2023	31 Dec. 2022
Trade and other receivables (See (a) below)	295,357	277,864	219,524
Cash and cash equivalents (excluding cash at hand) (See (b) below)	802,218	797,968	495,643
Other financial assets (See (b) below)	257,122	257,122	359,747
	1,354,697	1,332,954	1,074,914



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

(a) Trade and other receivables

	Group	Company	Company
<i>In thousands of naira</i>	31 Dec. 2023	31 Dec. 2023	31 Dec. 2022
Net trade and lease receivables (See a(i) below)	203,495	186,002	132,168
Deposit with Company registrar (See a(ii) below)	89,796	89,796	81,036
Staff debtors (See a(iii) below)	1,760	1,760	1,264
Other receivables (See a(iii) below)	306	306	5,056
	295,357	277,864	219,524

(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 31 December 2023, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows;

	Carrying amount		
<i>In thousands of naira</i>	Group	Company	Company
	31 Dec. 2023	31 Dec. 2023	31 Dec. 2022
Wholesale customers	55,463	55,463	54,806
Retail customers (Home owners)	39,006	21,513	24,250
Others (Corporates)	124,901	124,901	153,454
Lease receivable	89,804	89,804	83,688
	309,174	291,681	316,198

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

- Impairment loss on trade receivable arising from contracts for sale of paints	21,991	21,991	100,342
- Impairment loss on investment property lease contracts	83,688	83,688	83,688
	105,679	105,679	184,030
Net trade and lease receivables	203,495	186,002	132,168

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.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

At 31 December 2023, the ageing of trade receivables was as follows:

Group

31 December 2023 <i>In thousands of naira</i>	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%	80,117	-	80,117
Past due 1–30 days	No	1%	71,422	(756)	70,666
Past due 31–60 days	No	11%	37,225	(3,958)	33,267
Over 61 days due	No	56%	30,606	(17,277)	13,329
			219,370	(21,991)	197,379

Company

31 December 2023 <i>In thousands of naira</i>	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%	62,624	-	62,624
Past due 1–30 days	No	1%	71,422	(756)	70,666
Past due 31–60 days	No	11%	37,225	(3,958)	33,267
Over 61 days due	No	56%	30,606	(17,277)	13,329
			201,877	(21,991)	179,886

31 December 2022 <i>In thousands of naira</i>	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%	2,591	-	2,591
Past due 1–30 days	No	8%	95,578	(7,768)	87,810
Past due 31–60 days	No	12%	47,606	(5,839)	41,767
Over 61 days due	Yes	100%	86,735	(86,735)	-
			232,510	(100,342)	132,168

At 31 December 2023, the ageing of lease receivables was as follows:

Group

31 December 2023 <i>In thousands of naira</i>	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%	6,116	-	6,116
Over 61 days due	Yes	100%	83,688	(83,688)	-
			89,804	(83,688)	6,116

Company

31 December 2023 <i>In thousands of naira</i>	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%	6,116	-	6,116
Over 61 days due	Yes	100%	83,688	(83,688)	-
			89,804	(83,688)	6,116

31 December 2022 <i>In thousands of naira</i>	Credit impaired	Weighted average loss	Gross	Impairment	Net
Over 61 days due	Yes	100%	83,688	(83,688)	-
			83,688	(83,688)	-

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.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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

	Group	Company	Company
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Balance as at 1 January	184,030	184,030	172,451
Bad debt written off	(33,786)	(33,786)	-
(Write back)/Impairment loss of receivables	(44,566)	(44,566)	11,579
Balance as at 31 December	105,679	105,679	184,030

(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 31 December 2023 amounting to ₦802 million and ₦257 million and ₦798 million (2022: ₦496 million) and ₦257 million (2022: ₦359 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.

(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.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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 31 December 2023, the expected cash flows from trade and other receivables maturing within three months from Group and Company were ₦203 million and ₦186 million (2022: ₦127 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

31 December 2023

<i>In thousands of naira</i>	Contractual cash flows						
	Carrying Amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Loans and borrowings	345,218	482,334	-	28,538	228,308	178,864	46,624
Trade and other payables*	1,237,604	1,237,604	1,237,604	-	-	-	-
Dividend payable	382,281	382,281	382,281	-	-	-	-
	1,965,103	2,102,220	1,619,885	28,538	228,308	178,864	46,624

Company

31 December 2022

<i>In thousands of naira</i>	Contractual cash flows						
	Carrying Amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Loans and borrowings	345,218	482,334	-	28,538	228,308	178,864	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	-	-	-
	1,956,005	1,997,551	805,394	738,361	228,308	178,864	46,624

Company

31 December 2022

<i>In thousands of naira</i>	Contractual cash flows						
	Carrying Amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Loans and borrowings	25,131	26,573	26,573	-	-	-	-
Trade and other payables*	1,043,405	1,043,405	521,702	521,703	-	-	-
Dividend payable	390,796	390,796	195,398	195,398	-	-	-
	1,459,332	1,460,774	743,673	717,101	-	-	-

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



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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

(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	31 December 2022			31 December 2021		
	US\$	€	GBP	US\$	€	GBP
Foreign currency included in cash and cash equivalents	72,216	973	356			

Company	31 December 2022			31 December 2021		
	US\$	€	GBP	US\$	€	GBP
Foreign currency included in cash and cash equivalents	72,216	973	356	89,313	973	356

The following significant exchange rates were applied;

Group	Average rate during the year		Year end spot rate	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Naira				
US\$ 1	899.90	-	951.29	-
€ 1	993.10	-	1052.49	-
GBP 1	1,144.00	-	1142.79	-

Company	Average rate during the year		Year end spot rate	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
Naira				
US\$ 1	899.90	426.58	951.29	461.10
€ 1	993.10	448.08	1052.49	492.32
GBP 1	1,144.00	525.66	1142.79	555.21

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the naira against all other currencies at 31 December 2023 would have affected the measurement of financial instruments denominated in



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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.

<i>In thousands of Naira</i>	Profit or loss	
	Strengthening	Weakening
Group and Company		
31 December 2023		
US\$ (20% movement)	13,740	(13,740)
€ (20% movement)	205	(205)
GBP (20% movement)	81	(81)
Company		
31 December 2022		
US\$ (20% movement)	(8,236)	(8,236)
€ (20% movement)	(96)	(96)
GBP (20% movement)	(40)	(40)

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

	Nominal amount	
	31-Dec-23	31-Dec-22
Short term borrowings	22,403	-
Long term borrowing	322,815	-
	345,218	-
	(501.10)	(698.86)

Company

Fixed rate instruments

In thousands of naira

Financial liabilities:

Short term borrowings

Long term borrowing

	Nominal amount	
	31-Dec-23	31-Dec-22
Short term borrowings	22,403	137,498
Long term borrowing	322,815	7,875
	345,218	145,373

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



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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 31 December 2023 (December 2022: 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 31 December, was as follows.

Group

<i>In thousands of naira</i>	31-Dec-23	31-Dec-22
Total liabilities	3,088,667	-
Less: Cash and Cash equivalents	(802,287)	-
Adjusted net debt	2,286,380	-
Total Equity	3,507,934	-
Net debt to equity ratio	0.65	-

Company

<i>In thousands of naira</i>	31-Dec-23	31-Dec-22
Total liabilities	3,079,569	1,879,966
Less: Cash and Cash equivalents	(798,037)	(217,629)
Adjusted net debt	2,281,532	1,662,337
Total Equity	3,531,401	3,323,445
Net debt to equity ratio	0.65	0.50

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 31 December 2023, 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 classified 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.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

a. Future minimum lease payments

At as 31 December 2023 there are no future minimum lease receivables under non cancellable lease and each of the leases are one year (2022: Nil)

	Group	Company	Company
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Less than one year	69,942	69,942	78,646
Between one and five years	19,863	19,863	5,042
	89,804	89,804	83,688

b. Amounts recognised in profit or loss

Investment property lease income recognised for the year is ₦33 million (2022: ₦43 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 31 December 2023 were:

	Group	Company	Company
<i>In thousands of naira</i>	31 Dec. 2023	31 Dec. 2023	31 Dec. 2022
i. Tax services	1,808	1,808	1,640
ii. Transfer pricing advisory services	1,113	1,113	1,010
iii. Attestation of Internal Control over Financial Reporting	6,000	6,000	-

33 Contingencies

There is a pending litigation as at 31 December 2023 arising from the litigation case between Sowerscreed 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 ₦310 million. (2022: ₦310 million).

34 Subsequent events

On March 26, 2024, a final dividend of 80 kobo per share was proposed by the Directors for approval at the Annual General Meeting. 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:

Reportable segments

Paints and allied products
Contract revenue
Investment property rental income

Operations

Manufacturing, distributing and selling of paints and allied products
Rendering of painting services
Investment property rentals

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



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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 <i>In thousands of naira</i>	Paints and allied products	Contract revenue	Investment property rental income	Unallocated	Total
31 December 2023					
External revenues	7,603,703	363,843	33,315	-	8,000,861
Finance income	-	-	-	40,546	40,546
Finance costs	-	-	-	(28,419)	(28,419)
Depreciation & amortisation	(214,869)	(1,694)	(20,360)	-	(236,923)
Writeback/ (Impairment loss) on trade receivables	44,566	-	-	-	-
Reportable segment profit/(loss) before taxation	677,244	73,990	12,955	12,127	776,316

Company

Profit or loss <i>In thousands of naira</i>	Paints and allied products	Contract revenue	Investment property rental income	Unallocated	Total
31 December 2023					
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)
Writeback/ (Impairment loss) on trade receivables	44,566	-	-	-	-
Reportable segment profit/(loss) before taxation	677,243	97,457	12,955	12,127	799,783

	Paints and allied products	Contract revenue	Investment property rental income	Unallocated	Total
31 December 2022					
External revenues	6,198,304	133,330	43,134	-	6,374,768
Finance income	-	-	-	14,865	14,865
Finance costs	-	-	-	(3,011)	(3,011)
Depreciation & amortisation	(227,506)	-	(20,360)	-	(247,866)
Impairment loss on trade receivables	-	-	(11,579)	-	(11,579)
Reportable segment profit before taxation	330,003	34,738	11,195	11,854	387,790



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2023

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
<i>In thousands of naira</i>	31-Dec-23	31-Dec-23	31-Dec-22
Total profit or loss before taxation for reportable segments	764,189	787,656	375,936
Unallocated finance income	40,546	40,546	14,865
Unallocated finance costs	(28,419)	(28,419)	(3,011)
Profit before taxation	776,316	799,783	387,790

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 year ended 31 December 2023

	Note	Group*		Company		Company	
		31 Dec, 2023	%	31 Dec, 2023	%	31 Dec, 2022	%
<i>In thousands of naira</i>							
Sales	5	7,968,979		7,910,181		6,331,634	
Finance Income	7	53,458		53,458		26,843	
Other income	6	83,985		83,985		92,534	
		8,106,422		8,047,624		6,441,487	
Bought in materials and services							
- Imported		(440,679)		(440,679)		(85,920)	
- Local		(5,782,420)		(5,712,028)		(4,973,694)	
Value added		1,883,324	100	1,894,917	100	1,381,874	100
Distribution of value added							
To Employees:							
Personnel expenses	10a	841,665	44	831,486	44	762,878	55
To Providers of Finance:							
Interest on loans	7	28,419	1	28,419	1	15,551	1
To Government:							
Taxation	11(a)	330,986	18	330,986	17	146,909	11
Retained in the business as:							
Depreciation	9(b)	226,046	12	224,352	12	239,541	17
Amortisation	15	10,877	1	10,877	1	8,325	1
To augment reserve		445,330	24	468,797	25	208,670	15
		1,883,324	100	1,894,917	100	1,381,874	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.



FIVE-YEAR FINANCIAL SUMMARY

For the year ended 31 December 2023

	Group*	Company				
<i>In thousands of naira</i>	2023	2023	2022	2021	2020	2019
Funds employed						
Share capital	144,912	144,912	144,912	144,912	144,912	144,912
Share premium	635,074	635,074	635,074	635,074	635,074	635,074
Retained earnings	2,727,948	2,751,415	2,543,459	2,450,717	2,366,986	2,293,414
Shareholder's fund	3,507,934	3,531,401	3,323,445	3,230,703	3,146,972	3,073,400
Current liabilities	2,065,966	2,056,868	1,690,196	1,439,061	1,328,867	1,465,725
Non-current liabilities	1,022,701	1,022,701	514,887	440,905	496,033	527,324
	6,596,601	6,610,970	5,528,528	5,110,669	4,971,872	5,066,449
Assets employed						
Non current assets	2,891,769	2,897,482	2,883,117	3,064,279	3,212,821	3,292,840
Current assets	3,704,832	3,713,488	2,645,411	2,046,390	1,759,051	1,773,609
	6,596,601	6,610,970	5,528,528	5,110,669	4,971,872	5,066,449
<i>In thousands of naira</i>	2023	2023	2022	2021	2020	2019
Revenue	7,967,546	7,910,181	6,331,634	4,964,796	3,837,582	3,584,804
Profit before minimum tax	776,316	799,783	387,790	190,761	211,850	551,561
Profit before tax	776,316	799,783	355,579	178,089	210,903	533,099
Profit for the year	445,330	468,797	208,670	135,635	146,028	448,733
Other comprehensive income, net of tax	-	-	-	-	-	-
Declared dividend		260,841	115,929	115,929	72,456	188,385
Per 50k share data:						
Basic and diluted earnings per share (kobo)	154	162	72	47	50.00	47
Interim declared dividend per share (kobo)		20	-	-	-	-
Final declared dividend per share (kobo)		70	40	40	25	40
Net assets per share (kobo)	12	12	11	11	11	11

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



SHAREHOLDERS' INFORMATION

SUBSTANTIAL INTEREST IN SHARES

1. The Registrars have confirmed that according to the Register of Members, the following shareholders held 5% and above of the issued share capital of the Company as at 31st December, 2023

S/N	Member	Holding	%
1	JUREWA INVESTMENTS LTD	16,685,111	5.76
2	CAB (OVERSEAS HOLDINGS) LIMITED	16,315,506	5.63
3	ALEMAJE AND COMPANY LIMITED	16,315,506	5.63
4	HARMONY TRUST & INV CO. LTD	20,000,000	6.9
5	MIKEADE INVESTMENTS CO.LTD	19,196,095	6.62
	Total	88,512,218	30.54

2. Active Shareholding Analysis as at 31st December, 2023

RANGE			HOLDERS	%	VOLUME	%
1	-	1000	15305	43.25	7006747	2.4176
1001	-	5000	15980	45.16	30721122	10.5999
5001	-	10000	2083	5.887	14612331	5.0418
10001	-	50000	1580	4.465	31145317	10.7463
50001	-	100000	224	0.633	15956352	5.5055
100001	-	500000	176	0.497	37021087	12.7737
500001	-	1000000	18	0.051	11843338	4.0864
1000001	-	5000000	11	0.031	19271108	6.6493
10000001	-	ABOVE	8	0.023	122246045	42.1795
TOTALS	-		35385	100	289823447	100

Declaration: We hereby declare that no other individual(s) holds above 5% of the Issued and Fully paid shares of the Company.



SHAREHOLDERS' INFORMATION (CONT'D)

DIVIDEND HISTORY

Members are hereby informed that Berger Paints Nigeria Plc. declared the following dividends between 1995 and 2023.

Payment No.	Type	Date Declared
22	FINAL	7/Jun/1995
23	FINAL	4/Jun/1996
24	FINAL	3/Jun/1997
25	FINAL	2/Jun/1998
26	FINAL	1/Jun/1999
27	FINAL	5/Jun/2001
28	FINAL	4/Jun/2002
29	FINAL	3/Jun/2003
30	FINAL	2/Jun/2004
31	FINAL	8/Jun/2005
32	FINAL	8/Jun/2005
33	FINAL	16/Jun/2009
34	FINAL	6/Jun/2010
35	FINAL	30/Jun/2011
36	FINAL	3/Jul/2012
37	FINAL	14/May/2013
38	FINAL	22/Jul/2014
39	FINAL	21/Jul/2015
40	FINAL	9/Jun/2016
41	FINAL	18/May/2017
42	FINAL	6/Jul/2018
43	FINAL	24/May/2019
44	FINAL	24/Jun/2020
45	FINAL	20/May/2021
46	FINAL	19/May/2022
47	FINAL	24/May/2023
48	1ST INTERIM	16/Nov/2023

UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Notice is hereby given to our shareholders that some dividends have remained unclaimed as the registrars' records indicate. Many share certificates have also been returned as unclaimed because the addresses on them could not be traced or the shareholders had changed their addresses without informing the registrars.

The affected shareholders are requested to contact Meristem Registrars, who have informed us that they are e-dividend payment ready. Shareholders are kindly requested to take advantage of this to reduce the unclaimed dividend problems and in accordance with the directive from the Securities and Exchange Commission.

For more information please contact:

Meristem Registrars Limited,

213, Herbert Macaulay Way,

Adekunle Yaba, Lagos.

P.O. Box 51585, Ikoyi, Lagos.

Phone: 01-8920491-2, 0700MERIREG

Email: info@meristemregistrars.com

Website: www.meristemregistrars.com

E-DIVIDEND MANDATE ACTIVATION

Shareholders are advised to visit the link below for the e-dividend mandate activation and upload:

<https://docuhub3.nibss-plc.com.ng/edmmms/self-service>.



SHAREHOLDERS' INFORMATION (CONT'D)

SCHEDULE OF UNCLAIMED DIVIDEND

S/N.	Div No	Amount Of Dividend Declared (Gross) Naira (N)	Amount Of Dividend Received Naira (N)	Total Dividend Paid Out This Year Naira (N)	Total Dividend Paid Till Date Naira (N)	Date of Payment	Unpaid Dividend Till Date Naira (N)	Total Amount Returned to Company Naira (N)	Balance With Registrars Naira (N)
1	33	65,210,275.50	58,689,247.95		49,951,688.35	6/17/2009	8,737,559.60	8,737,559.60	-
2	34	108,683,792.50	97,815,413.25	241,798.84	82,002,133.80	6/9/2010	15,813,279.45	14,623,976.58	1,189,302.87
3	35	152,157,309.50	136,941,578.55	196,375.41	100,826,975.34	7/4/2011	36,114,603.21	35,428,030.91	686,572.30
4	36	152,157,309.50	136,941,578.55	94,947.93	112,602,768.12	7/4/2012	24,338,810.43	22,389,129.37	1,949,681.06
5	37	152,157,309.50	136,941,578.55	149,836.05	103,966,320.15	5/21/2013	32,975,258.40	31,755,502.03	1,219,756.37
6	38	202,876,412.90	182,823,330.76	208,987.38	155,410,061.38	7/22/2014	27,413,269.38	26,512,560.72	900,708.66
7	39	217,367,585.25	196,331,041.10	244,674.67	166,540,286.46	7/23/2015	29,790,754.64	28,787,248.08	1,003,506.56
8	40	217,367,585.25	196,513,418.93	275,038.25	162,782,862.84	6/13/2016	33,730,556.09	33,635,301.85	95,254.24
9	41	144,911,773.50	132,549,753.45		105,004,587.00	5/23/2017	27,545,166.45	24,223,685.31	3,321,481.14
10	42	144,911,723.50	131,535,278.05	252,675.90	95,890,263.25	6/8/2018	35,645,014.80	36,731,845.13	1,086,830.33
11	43	188,385,240.55	160,262,655.48	293,097.18	114,459,503.84	5/22/2019	45,803,151.64	42,839,887.36	2,963,264.28
12	44	72,455,861.75	72,455,861.75	116,102.47	51,192,970.34	6/22/2020	21,262,891.41	20,240,680.47	1,022,210.94
13	45	115,929,378.80	105,153,904.28	181,074.96	75,140,795.72	5/21/2021	30,013,108.56	27,389,080.48	2,624,028.08
14	46	115,929,378.80	104,496,404.36	283,006.80	74,915,496.68	5/18/2022	29,580,907.68	26,726,228.96	2,854,678.72
15	47	202,876,412.90	182,868,954.66	390,511.17	127,806,530.32	5/24/2023	55,062,424.34		55,062,424.34
16	48	57,964,689.40	52,248,350.98	36,537,258.86	36,537,258.86	12/12/2023	15,711,092.12		15,711,092.12
		2,311,342,039.10	2,084,568,350.65	39,465,385.87	1,615,030,502.45		469,537,848.20	380,020,716.85	89,517,131.35

SHARE CAPITALIZATION HISTORY

Date	Authorised Shares		Issued and Fully Paid Shares		Consideration
	Value (N)	Shares	Value (N)	Share	
1/9/1959	500,000	500,000	*****	*****	Initial share capital
4/27/1961	500,000	500,000	50,000	50,000	Goodwill
2/10/1962	500,000	500,000	437,514	427,514	cash
6/27/1972	1,600,000	3,200,000	427,514	875,028	Increase in authorised share capital
8/1/1972	1,600,000	3,200,000	531,514	1,063,028	Asset purchased
12/21/1972	1,600,000	3,200,000	863,704	1,727,408	Bonus (2:3)
5/25/1976	6,000,000	12,000,000	863,704	1,727,408	Increase in authorised share capital
5/27/1980	7,200,000	14,400,000	7,200,000	14,400,000	Bonus (1:2)
6/12/1986	10,800,000	21,600,000	10,800,000	21,600,000	Bonus (1:2)
5/30/1989	16,200,000	32,400,000	16,200,000	32,400,000	Bonus (1:2)
5/29/1990	21,600,000	43,200,000	21,600,000	43,200,000	Cash
5/27/1992	58,200,000	116,400,000	36,600,000	73,200,000	cash
5/7/1995	76,500,000	153,000,000	54,900,000	109,800,000	Bonus (1:2)
6/1/1999	109,800,000	219,600,000	94,382,467	188,764,934	rights Issue (1:3)
6/1/1999	109,800,000	219,600,000	94,382,467	188,764,934	Public Offer
6/5/2001	109,800,000	219,600,000	108,683,793	217,367,585	Bonus (1:7)
6/1/2004	160,000,000	320,000,000	108,683,793	217,367,585	Increase in authorised share capital
7/8/2008	400,000,000	800,000,000	108,683,793	217,367,585	Increase in authorised share capital
11/18/2013	400,000,000	800,000,000	144,911,724	289,823,447	Rights Issue (1:3)
2014	400,000,000	800,000,000	144,911,724	289,823,447	NIL
2015	400,000,000	800,000,000	144,911,724	289,823,447	NIL
2016	400,000,000	800,000,000	144,911,724	289,823,447	NIL
2017	400,000,000	800,000,000	144,911,724	289,823,447	NIL
2018	400,000,000	800,000,000	144,911,724	289,823,447	NIL
2019	400,000,000	800,000,000	144,911,724	289,823,447	NIL
2020	400,000,000	800,000,000	144,911,724	289,823,447	NIL
2021	400,000,000	800,000,000	144,911,724	289,823,447	NIL
2022	400,000,000	800,000,000	144,911,724	289,823,447	NIL
2023	400,000,000	800,000,000	144,911,724	289,823,447	NIL

SHAREHOLDERS' INFORMATION (CONT'D)

Consolidation Of Accounts

Dear Shareholders:

Records with our Registrars and as revealed by the Register of Members show that some members have more than one accounts in their names. This situation may have arisen as a result of multiple applications made during new issues or as a result of purchases made through the Stock Market. Servicing these accounts is a huge administrative problem resulting in avoidable costs e.g. postages, maintenance, issuance of certificates, etc. These ultimately have an impact on the profit of your Company.

The Company appeals to you to make efforts to consolidate your multiple accounts, more especially to facilitate the operations and to save the Company costs. We ask for your co-operation in this respect. Please complete the Consolidation Request Form below and send it to the Registrars, Meristem Registrars Limited.

Kindly state in your request for consolidation the names/addresses of those persons you bought shares for during any public offers by the Company and at the secondary market besides yourself i.e. your children, grandchildren, etc. Certificates should not be forwarded.

Tear off from here



CONSOLIDATION OF ACCOUNTS FORM

DATE: _____

DEAR SIR/MADAM,

KINDLY CONSOLIDATE/MERGE MY ACCOUNT NOS: _____, _____, _____ INTO _____

NAME OF COMPANY: _____

NAME OF SHAREHOLDER: _____
(SURNAME FIRST) (OTHER NAMES)

SHAREHOLDER'S ADDRESS: _____

PHONE NO.: _____

E-MAIL ADDRESS: _____

SHAREHOLDER(S) SIGNATURE(S): 1. _____

2. _____

CSR/CORPORATE EVENTS DURING THE YEAR



True Colours Event - September 2023



True Colours Event - September 2023



CSR/CORPORATE EVENTS DURING THE YEAR (CONT'D)



Hosting and Presenting rewards to the winners of The Teachers' Day Event - November, 2023



Hosting and Presenting rewards to the winners of The Teachers' Day Event - November, 2023



CSR/CORPORATE EVENTS DURING THE YEAR (CONT'D)



Courtesy visit and re-painting of Eva Adelaja Girls Secondary School - December, 2023



Courtesy visit and re-painting of Eva Adelaja Girls Secondary School - December, 2023



Courtesy visit and re-painting of Eva Adelaja Girls Secondary School - December, 2023



BERGER BUSINESS PARTNERS

SN	Location	Name	Address	Phone
1.	Abuja	Khafadez Resources Ltd.	Plot 748, Alexandria Crescent, Wuse 2, Behind Bannex Plaza, Abuja	07031720041, 08052801904, 07031779331
2.	Abuja	Khafadez Resources Ltd.	Shop A006, Rano Filling Station, Rano Plaza, City Gate, Abuja	07031720041, 08052801904, 07031779331
3.	Abuja	Khafadez Resources Ltd.	Shop 7, Opposite Lorry Park, Dei-Dei Building Materials, Abuja FCT	07031720041, 07031779332, 07031720060
4.	Abuja	Luvi Nig. Ltd.	POWA Plaza, Suite 01, Plot 55 Samuel Ladoke Akintola Blvd (Next to Treasury House), Garki 2, Abuja, FCT	08053559255, 09062099920
5.	Abuja	Opa Global	Anafara Plaza, First Avenue, Opposite Oando Filling Station, Gwarimpa Estate, Abuja	08098060198, 09062682357
6.	Nnewi	Amordei	No 35, Blossom Plaza, Onitsha Owerri Road. Nnewi	08035969556, 08038956123, 08102164838
7.	Awka	Amordei	KM 20 Enugu /Onitsha Express Road, opp. Crunches Eatery, Unizik Junction, Awka	08102164838, 08069116389
8.	Onitsha	Amordei	182, Awka Road, Onitsha, Anambra state	08102164838, 09057867440
9.	Warri	Tesan	111, Warri-Effurun Road, Warri, Delta State.	09037798587, 08102164843, 08035030263
10.	Warri	Tesan	KM 2 Okpe Road, Osubi, Beside Victory Joe Filling Station, Warri	08113752287, 08064421912, 08037664080
11.	Asaba	De-Ama Ventures	No. 379, Nnebisi Road, Asaba. Opposite Polaris Bank, Asaba. Asaba	08023160000, 09062099917, 08102164868, 08169341361
12.	Agbor	De-Ama Ventures	IMAFIDONIA PLAZA, 203 Old Lagos Asaba Road by Owa-Ekei Junction. Boji-Boji, OwaAgbor. Delta State.	08169341361, 08023160000, 09069791990
13.	Benin	Tesan	27, Murtala Mohammed Way, Benin City, Edo State	09062523816, 08028017534
14.	Enugu	Synopsis	CHASE MALL, No 33, Abakaliki Road, G.R.A Enugu Enugu	09062099919, 08102164838, 08066190033, 08055238655
15.	Enugu	Synopsis	No. 52 Ogui Road, opposite Thermacool shop, Enugu	09062099919, 08102164838, 08066190033



BERGER BUSINESS PARTNERS (CONT'D)

SN	Location	Name	Address	Phone
16.	Enugu	Obiaku	7 Edinburgh Road, Ogui New Layout, Enugu	08036695593, 08102164838
17.	Ilorin	Everstplus	4, Ifelodun Street, off Asadam Road, Offa Garage, Ilorin, Kwara State	07031720077, 08087180681, 08033966490
18.	Lagos	Moyinson	Berger Place, along Lagos-Ibadan, Express way, beside Lagos State Accident& Emergency Office	07031343157, 09062099912, 07031779336
19.	Lagos	Forty40	No 16, TOS Benson Road (Former Beach Road), Ebute, Ikorodu. Lagos	08069813232, 08023948656, 07010007000
20.	Lagos	Spinetti	Shop Y09, YOB Shopping Complex, Ologolo Road, Before Igbo Efon, Lekki, Lagos	07031779328, 08102164827
21.	Lagos	KC Trade	Km 22 Lekki-Epe Express Way, NNPC Filling Station Complex, 2nd Gate, Ikota Lekki, Lagos	09169849286, 07031779342
22.	Lagos	Forty40	127, Ogunlana Drive, Surulere, Lagos.	08069813232, 07010007000
23.	Lagos	Nacho Technical	95 Adeniyi Jones, Ikeja, Lagos	08113752287, 09062523814, 09062523814 09062682342
24.	Lagos	Building Depot	142A, Association Way, Dolphin Estate, Ikoyi, Lagos	08033515179
25.	Lagos	Kerae Industries	7 Muri Okunola Street, Victoria Island, Lagos	09132222291, 08033139196, 08102164827
26.	Lagos	Ladii Ventures	KM 30, Lagos Epe Expressway Casia Estate, Abijo GRA, Ibeju-Lekki	07031779324, 07031720069
27.	Nasarawa	Khafadez	Suite 31, Power Complex by Police Clinic, Opposite APC Secretariat, Jos Road, Lafia, Nasarawa state.	09062523799, 07031720061, 07031720041
28.	Nasarawa	Khafadez	Shop 6, Afiz Plaza, Sharp Corner, Mararaba, Nasarawa State.	09062523799, 09062496085, 07031720041
29.	Niger	Khafadez	Sm3, Ahmadu Bahago Plaza. Tunga, Minna, Niger State	09062523799, 09062099923
30.	Niger	Splendid TSY	Jukwutech Plaza, Opposite Sadox Factory, Aluminum Village, Kaduna Road, Niger State	08080058308, 08065707139, 07038020561
31.	Ibadan	Ogo Oluwa	20 Oyo Road, Uncle Joe Bus-Stop, Mokola, Ibadan, Oyo State.	07031720043, 08055068234, 09062099913, 08102164846



BERGER BUSINESS PARTNERS (CONT'D)

SN	Location	Name	Address	Phone
32.	Ibadan	Ogo Oluwa	10, Vitafoam Place, Elebu Oja Road, Elebu Extension, Opp. Comodore, Ibadan, Oyo State.	07031720043, 08055068234, 08102164846
33.	Ibadan	Ogo Oluwa	Iwo Road, Opp. Ibadan North East Local Govt Hqrts, Near Arisekola Mosque	07031720043, 08102164846, 08138596050
34.	Ibadan	Ogo Oluwa	1, Azeez Aina Street, Olusanya Bus Stop, Ring Road, Ibadan, Oyo State	07031720043, 08055068234, 08138596050, 08102164846
35.	Jos	Splendid TSY	1A, Constitution Road, Opposite Pirelli Tyres, Jos, Plateau State	08080058308, 08065707139, 09062523822
36.	Port Harcourt	Partracker	No 42, old Aba road, By Atilery Junction, Opp Heritage bank, Port Harcourt	08038735062, 07031720047, 09062682344
37.	Port Harcourt	Tesan	No 70, Ordinance Road, Trans-Amadi Industrial Layout, Port Harcourt	09062682332; 09062496101
38.	Kaduna	De-Joescon	No 70, Ordinance Road, Trans-Amadi Industrial Layout, Port Harcourt	07031720045, 08035865664
39.	Kano	Aikawa	4, Ajasa Street, Civic Centre, Kano State	08102164852, 08131758058



MAJOR SUPPLIERS

S/N	Major International Suppliers:
1.	Kadamenon Colour
2.	Oliver + Batlle
3.	PRA World Limited
4.	Soujanya Colours
5.	Transmare Chemie
6.	Yongkang Ocean Import & Export Co. Ltd.

S/N	Major Local Suppliers:
1.	Asharami Synergy Plc
2.	Avon Crowncaps And Containers Nig. Plc
3.	Brenntag Chemicals Nigeria Limited
4.	Bovas Oil
5.	C-Pin Industries Ltd.
6.	Chanco Impress
7.	Chizzy Nig Ltd.
8.	Cormat Nig Ltd.
9.	Danel Nigeria Ltd.
10.	Dastoll Oil
11.	Dlad Holdings Ltd.
12.	Emychem Limited
13.	Falcon Chemicals Ltd.
14.	Geeta Plastic
15.	Global-Chem
16.	Gmas Ltd.
17.	Glister Success Ltd
18.	Lexcel Products and Packaging Ltd
19.	Melvyn Nickson Nigeria Limited
20.	Metoxide (Nigeria) Ltd
21.	Metchem Limited
22.	Nycil Ltd.
23.	Opil Oil
24.	Parco Enterprises Nigeria Limited
25.	Redachem Industry Nigeria Limited
26.	Robinson Ventures Ltd.
27.	Rama Industries Ltd
28.	Samking Chemical Ltd
29.	The Freedom Group Ltd
30.	Trisa Nig. Ltd
31.	Wahum Pkg Ltd
32.	Wtex Industries (Nigeria) Limited
33.	Shonghai Plastic





BERGER PAINTS NIGERIA PLC {RC 1837}

PROXY FORM

For the Sixty-fourth (64th) Annual General Meeting (AGM) of Berger Paints Nigeria Plc. to be held by Proxy at Lagos Marriott Hotel Ikeja, 122 Joel Ogunnaike Street, Ikeja GRA, Lagos State on Tuesday 14 May 2024, at 11:00 a.m., or so soon thereafter.

I/We.....
(Name of Shareholder in block letters)

The undersigned, being a member of the above-named Company hereby appointsOr failing him/her, the Chairman of the meeting as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday 14 May 2024, and at any adjournment thereof."

Unless otherwise instructed, the Proxy will vote or abstain from voting as he/she thinks fit.

Dated thisDay of2024

Signature.....

NOTES:

- This form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarial certified copy thereof, should be completed and deposited at the office of the Company's Registrars, Meristem Registrars and Probate Services Limited (Registrars), at 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos State, or via email to info@meristemregistrars.com, not later than 48 hours before the time of holding the meeting.
- Where the appointer is a corporation, this form may be under seal or under the hand of any officer or attorney duly authorized.
- In the case of joint holders, the signature of anyone of them will suffice, but the names of all joint holders should be shown.
- It is a legal requirement that all instruments of proxy must bear appropriate stamp duty (not adhesive postage stamps) from the Stamp Duties Office. The Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

	Resolution	For	Against
We desire this proxy to be used in favor of/or against the resolution as indicated alongside.	1] To Receive the 2023 Audited Financial Statements and Accompanying Reports		
	2] To declare a final Dividend		
	3a] To re-elect Mr. Abi Ayida as Director		
	3b] To re-elect Mr. Adekunle Olowokande as Director		
	4] To appoint Pannell Kerr Forster as External Auditor		
	5] To authorise the Directors to fix the remuneration of the Auditors		
	6] To disclose the remuneration of the Managers of the Company.	No Resolution Required	
	7] To elect members of the Audit Committee.		
	8] To approve the remuneration of Directors.		
9] To approve the renewal of General Mandate on recurring related Party Transactions.			
Please indicate with "X" in the appropriate box how you wish your vote to be cast on the resolutions set out above. Unless otherwise instructed, the Proxy will vote or abstain from voting at his/her discretion.the Proxy will vote or abstain from voting at his/her discretion.			

ADMISSION FORM

For the Sixty-fourth (64th) Annual General Meeting (AGM) of Berger Paints Nigeria Plc. to be held at Lagos Marriott Hotel Ikeja, 122 Joel Ogunnaike Street, Ikeja GRA, Lagos State on Tuesday 14 May 2024, at 11:00 a.m.

*Name of Shareholder _____

*Name of Proxy _____

(IF YOU ARE UNABLE TO ATTEND THE MEETING)

A member (shareholder) entitled to attend and vote is entitled to appoint one or more Proxies to attend and vote instead of him. A Proxy need not be a member. The above proxy form has been prepared to enable you exercise your right to vote.

IMPORTANT

Please insert your name in BLOCK CAPITALS on both proxy and admission forms where asterisked. Insert the name of any person whether a member of the Company or not, except for the chairman of the Company, who will attend the meeting and vote on your behalf.

For the Registrar's use only:

No. of shares held



Mail to:

MERISTEM REGISTRARS AND
PROBATE SERVICES LIMITED
213, HERBERT MACAULAY WAY,
ADEKUNLE, YABA, LAGOS STATE.
P.O. BOX 51585, FALOMO, IKOYI,
LAGOS STATE



Beautify your space
Protect the Environment with our
Eco Friendly LUXOL
Premium Matt & Premium Satin



*Available in
white colour only*



102, Oba Akran Avenue,
Ikeja Industrial Estate, Lagos
+234 810 216 4586
customer@bergerpaintnig.com
www.bergerpaintsnig.com

 @Bergerpaintsnig



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Your World in
COLOUR



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