

2022 ANNUAL REPORTS & ACCOUNTS



GAINING THE EDGE





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CONTENTS



Corporate Policy Statement /02
 Directors and Professional Advisors, etc. /03
 Financial Highlights /05
 Corporate Profile /06
 Directors' Profile /09
 Chairman's Statement /12

Management Profile /18
 MD/CEO's Statement /21
 Notice of 63rd Annual General Meeting /26
 Information Guide for the
 63rd Annual General Meeting /29
 Directors Report /34

Corporate Governance Report /43
 Statement of Compliance with regulations /51
 Statement of Directors' Responsibilities /52
 Statement of Corporate Responsibility /53
 Report of the Board Audit, Strategy and
 Risk Management Committee (BASRMC) /54

Board Appraiser Report on 2022 Evaluation /55
 Report of the Audit Committee /56
 2022 Sustainability Report /57
 Independent Auditor's Report /63
 Statement of Financial Position /66

Statement of Profit or Loss and
 other Comprehensive Income /67
 Statement of Changes in Equity /68
 Statement of Cash Flow /69
 Notes to the Financial Statements /70
 Value Added Statement /117
 Five-Year Financial Summary /118

Shareholders' Information /119
 Corporate Social Responsibility /123
 Outsourced Business Partners /126
 Major Suppliers /129
 E-Dividend Proposal Form /130
 Proxy Form and Admission Form /132

CORPORATE POLICY STATEMENT



01

VISION

To be the top paint manufacturing brand in Africa



02

MISSION

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



03

CORE VALUES

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

DIRECTORS AND PROFESSIONAL ADVISERS, ETC.

Board of Directors:	<p>Abi Ayida - Chairman Adekunle Olowokande - Non - Executive Director Raj Mangtani (Indian) - Non - Executive Director Ogechi Iheanacho - Non - Executive Director Erejuwa Gbadebo - Independent Non - Executive Director Aisha Umar - Independent Non - Executive Director Alaba Fagun - Managing Director (Appointed wef October 4 2022.)</p> <p>The following directors resigned in the year: Victor Olusegun Adeniji - Independent Non - Executive Director (Resigned wef March 9 2022) Anjar Sircar (Indian) - Managing Director (Tenure expired wef January 4 2022) Adeyemi Adetomiwa - Acting Managing Director (Contract tenure expired wef September 30 2022)</p>		
Company Secretary/ Legal Adviser	Omolaro Bello		
Registered Office:	102, Oba Akran Avenue, Ikeja, Industrial Estate, P.M.B. 21052, Ikeja, Lagos.		
Contact Details	<p>Mobile: +234 810 216 4586 Email: customercare@bergerpaintnig.com Website: www.bergerpaintsnig.com</p>		
Social Media Accounts	<p>Facebook: www.facebook.com/BergerPaintsNigeriaPlc LinkedIn: www.linkedin.com/company/berger-paints-nigeria-plc Twitter: www.twitter.com/BergerPaintsNg Instagram: www.instagram.com/bergerpaintsnigeriaapl You Tube: www.youtube.com/channel/UCD_T-Wid299NWbfHxA4rGXg</p>		
Investors Relation	<p>Berger Paints Nigeria Plc. has a dedicated investors' portal on its corporate website which can be accessed via this link: https://bergerpaintsnig.com/investor/ The Company's Investors' Relations Officer can also be reached through electronic mail at: investors@bergerpaintnig.com; or telephone on: +234 9037757191 for any investment related enquiry.</p>		
NSE Trading Information	<p>Trading Name: Berger Paints Nig. Plc. (Berger) Ticker Symbol: Berger Sector: Industrial Goods Sub Sector: Building Materials Market Classification: Main Board</p>		
Registration Number:	RC: 1837		
TIN	01335257-0001		
FRC Registration Number:	FRC/2012/000000000295		
Registrars:	<p>Meristem Registrars Limited 213, Herbert Macaulay Way, Adekunle, Yaba, Lagos. P.O. Box 51585, Falomo, Ikoyi, Lagos Tel: 8920491, 8920492, 01-2809250-3 Email: info@meristemregistrars.com Website: www.meristemregistrars.com</p>		
Independent Auditor:	<p>KPMG Professional Services KPMG Tower Bishop Aboyade Cole Street, Victoria Island, Lagos Tel: +234 1 271 8955</p>		
Bankers:	<table border="0"> <tr> <td> Access Bank Plc Ecobank Nigeria Limited Fidelity Bank Plc First Bank of Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank Plc Heritage Bank Ltd </td> <td> Keystone Bank Limited Polaris Bank Limited Union Bank of Nigeria Plc United Bank for Africa Plc Wema Bank Plc Zenith Bank Plc Sterling Bank Plc </td> </tr> </table>	Access Bank Plc Ecobank Nigeria Limited Fidelity Bank Plc First Bank of Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank Plc Heritage Bank Ltd	Keystone Bank Limited Polaris Bank Limited Union Bank of Nigeria Plc United Bank for Africa Plc Wema Bank Plc Zenith Bank Plc Sterling Bank Plc
Access Bank Plc Ecobank Nigeria Limited Fidelity Bank Plc First Bank of Nigeria Limited First City Monument Bank Limited Guaranty Trust Bank Plc Heritage Bank Ltd	Keystone Bank Limited Polaris Bank Limited Union Bank of Nigeria Plc United Bank for Africa Plc Wema Bank Plc Zenith Bank Plc Sterling Bank Plc		



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FINANCIAL HIGHLIGHTS

For the year ended 31 December 2022

<i>In thousands of naira</i>	2022	2021	%
Revenue	6,331,634	4,964,796	28
Gross profit	2,005,318	1,582,720	27
Operating profit	386,022	199,544	93
Profit before minimum tax	387,790	190,761	103
Profit before income tax	355,579	178,089	100
Profit after tax	208,670	135,635	54
Share capital	144,912	144,912	-
Total equity	3,323,445	3,146,972	6
Data per 50k share			
Basic earnings per share (kobo)	72	47	54
Declared dividend*	40	40	-
Net assets per share (Naira)	11.47	11.15	3
Market price per share as at year end (Naira)	5.95	7.50	(21)
Market capitalization as at year end	1,724,453	2,173,680	(21)
Dividend per 50k share in respect of current year results only			
Dividend proposed (kobo)**	70	40	75

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

**The Directors proposed a dividend of 70 kobo (2021: 40 kobo) per share on issued share capital of 289,823,447 (2021: 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. was established on 9th January, 1959 and has become a leader in the coating and allied industry in Nigeria. For several decades, the organization has been providing quality paints and allied coatings that meet the needs of various sectors of the economy.

With its corporate headquarters and manufacturing plant located in Lagos, Nigeria, Berger Paints Nigeria Plc. has several Berger Colour World outlets or Colour shops spread across the federation leveraging the channel distribution model. The Company is committed to excellent quality product development with a state of the art research and development unit, ensuring Berger Paints product is technologically correct, environmentally friendly and formulated to withstand harsh tropical conditions.

The Company is reputed to be the first in setting standards in the paint industry in Nigeria. Its scorecard includes the following:

- 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 Nigeria 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 tropicalised and environment friendly paint products to the Nigerian market.
- First to introduce full process tamper-proof colour paint containers to the Nigerian market.

Berger Paints Nigeria Plc (BPN) is known for pioneering new products and setting the pace in the paints and allied coating sector. One of such specialty products is Berger Fire Retardant Texcote, a textured finish which has been very successful in capturing the imagination of many consumers. Berger Fire Retardant Texcote has now been adopted as the generic term for textured paint in Nigeria. Berger Rufhide, a wall putty with superior adhesive strength and capability over conventional Plaster of Paris and other screeding materials, is the first of its kind in the Nigerian market. Our other well-known brands such as Luxol (Clingstay), Super Star and Classic continue to have their loyal clientele and enjoy extreme popularity across Nigeria today.

Every Berger Colour World is a colour specialty outlet equipped with ultra-modern colour tinting machines, colour development software and skilled technical personnel with the capability to produce thousands of colours in sizeable quantities. They also have ample supply of BPN products for immediate purchase or supply. The Berger Colour Shop managed by our dealers, super or mega dealers, ensures the provision of excellent quality products for which the Berger brand is known for to every consumer and reaching the nooks and crannies of the federation. They provide technical evaluation and professional consultation services to corporate and private clientele.

Berger Paints also provides Supply and Apply Services for public and private organizations. Some of our reference projects include the following - Elizade University, Lekki Gardens, Haven Home, Keystone Bank, Mosaf Nigeria Limited, Vitafoam Plc and Glo World Project amongst others.

Berger Paints Nigeria Plc., with the corporate signature, "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, which has made it a one-stop solution for all painting needs.

Our Products

Berger Paints Nigeria Plc. is the only paint manufacturing company in Nigeria operating in the five key segments:

- Decorative/Architectural Finishes;
- Marine & Protective Coatings
- Automotive/Vehicle Refinishes;
- Industrial Coatings; and
- Wood Finishes and Preservers.

CORPORATE PROFILE (CONT'D)

Decorative Paints

The decorative range covers the architectural and building maintenance coatings of high and medium quality, which are used by leading contractors as well as craftsmen. The brands are household names in the Nigerian paints market - Texcote, Luxol and Super Star - which are available in unlimited range of colours, possessing both beauty and protective abilities against all the elements of the weather. Clinstay is a unique brand of washable water based emulsion paint, suitable for the internal part of the home and high traffic areas susceptible to dirt which can be washed with foam, mild soap and water. Rufhide is a specially formulated paint that covers cracks and wall imperfections.

Industrial Coatings

These are protective paints used as coatings for virtually all categories of manufacturing equipment and machines. The paints protect the items from rusting and make them resistant to scratching. The coatings are available to suit all forms of application technologies ranging from brushing, conventional spraying, dipping, curtain coating, roller coating, can and coil coatings, tumbling and electro-static method. The product range includes stoving enamels, curtain coatings, and quick drying enamels amongst others.

Marine and Protection

The Berger Paints range of protective coatings has over 30 years, successfully met the comprehensive and specialized anti-corrosive demands of the structures and equipment of the marine industry in Nigeria. The marine paints/heavy duty coatings, bituminous coatings, a wide range of primers and protective systems for steelworks, marine primers, bottom compositions including anti-fouling and coatings for boot topping and topsides. Major petroleum oil drilling companies and main ship maintenance companies in Nigeria use BPN products.

Automotive/Vehicle Refinishes

We are expanding the frontier of vehicle refinishes range of paints. The top quality automotive range of products includes topcoats for the vehicle assembly plants as well as car refinishes with the brand name Autolux. It is compatible with all makes of vehicles. Autolux is available as a single pack or two-pack in a wide range of colours giving high gloss and build together with excellent hardness and durability. Autolux is the ideal all-purpose refinishes enamel, which can be air dried or low baked. The Company also supplies 2 Pack auto-refinishes products to major industries in Nigeria.

The Autolux range includes the solid and metallic paints, primers, varnish, and NC putty. The Autobase range includes the base and acryl, primers and fillers, clear and hardeners, slow and hard thinners in addition to other accessories.

Wood Preservers and Finishes

These are Bergernol wood preservatives and Lignolac wood finishes respectively. Bergernol is noted for high quality performance in wood preservation, while Lignolac is available to a wide variety of wood industries, from the roadside carpenters to corporate organizations, from simple to top of the line furniture and doors. This range incorporates sanding sealer, lacquer gloss, satin and matt, as well as wood stains. These brands are market leaders and they are known and popular in the trade and among the various customer groups.

A Future Assured

Berger Paints will continue to pay special attention to the acquisition of technologically advanced production machines and embark on human capital development in order to cope with the changing and sophisticated taste of customers.

- Berger Colour World: As a means of moving closer to the door steps of our consumers to deliver excellent customers services, Berger Colour world is opened in strategic locations across the country. Berger Colour world offers endless colour possibilities where customers can dream their choice of colours and have them produced instantly.
- Technical Collaborations: Along the line of technical update and innovation drive, Berger Paints Nigeria Plc. continues to collaborate with experienced technical partners and world leaders in paint and coatings solutions.
- Environmental friendly products: Berger Paints continues to embark on research and development activities that would facilitate introduction of environment friendly products which help in preserving the earth.

CORPORATE PROFILE (CONT'D)

Quality Assurance

As a confirmation of our oath to clients; that we will exchange value and service for every Naira they part with, all Berger Paints containers come with tamper-proof hologram cover. Customers are strongly advised to watch out for this as a sign of our quality assurance. This led to the actualization of the ISO 9001:2015 quality certification.

Marketing and Distribution

The Company's marketing approach is guided by the principle that no matter how good or innovative its products are, they require capable people to professionally present them in a way that is devotedly customer-focused. This principle has successfully guided the company in hiring, training and developing its sales force to meet set objectives. Since most of the products are customer specific, the Company keeps upgrading its production machinery, research and development and uses top quality raw materials. We distribute our products through an expanding nationwide network of over 50 outlets and appointed agents (mini outlets) spread across the country.

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 Chartered Accountant. He holds an MA in International Finance from London Metropolitan University. He had served as Management Accountant to leading professional services firms in the United Kingdom and for a couple of years, he functioned as the Head, Strategy and Risk Management for Berger Paints Nigeria Plc.

He was appointed as a Non-Executive Director on 16th October, 2014.



BOARD OF DIRECTORS (CONT'D)



MRS. OGECHI IHEANACHO

NON-EXECUTIVE DIRECTOR

Ogechi Iheanacho is a financial and corporate governance expert having served as Financial Dealer, Treasury & Funds Management with Associated Discount House Limited (now Coronation Merchant Bank Ltd) and as Legal Counsel in the Company Secretariat of Fidelity Bank Plc.

She is the Managing Partner of Formosa Partners and a Director on the board of Harmony Trust & Investment Company Limited. She is also a Trustee of the Living Fountain Orphanage, Lagos. Mrs. Iheanacho graduated with an LLB degree from the University of Westminster, London, U.K., where she was awarded the Geoffrey Reeday Prize for the best result in Company Law. She also holds a Master's degree in Commercial & Corporate Law (Merit) from the University of London (University College London). She is a member of the Institute of Directors Nigeria, the Nigerian Bar Association, the Society for Corporate Governance Nigeria, an Associate of the Chartered Governance Institute, UK, and a member of World Commerce and Contracting.



MRS. EREJUWA GBADEBO

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mrs. Gbadebo is a Chartered Architect and Chartered Surveyor with 34 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

A real estate professional with experience in commercial, residential, institutional, and financial based projects.

Prior to her appointment as Managing Director / CEO of Berger Paints Nigeria Plc, Mrs Fagun 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 and started her career as an architect at Siji Dosekun Partnership, thereafter working at the Architects Co-Partnership Hertfordshire, United Kingdom and other architectural and real estate companies, where she gathered field experience.

She holds Bachelor of Environmental Science and Bachelor of Architecture (Distinction) degrees from the University of Lagos, Nigeria. She is a member of the Institute of Workplace and Facilities Management (IWFM).

Mrs Fagun was appointed the Managing Director/CEO effective 4th October, 2022. She is a member of the Board Finance and General Purpose Committee and the Board Audit and Risk Management Committee.



A portrait of Mr. Abi Ayida, a middle-aged Black man with short, graying hair, wearing black-rimmed glasses and a dark, patterned button-down shirt. He is smiling slightly and looking directly at the camera against a plain, light-colored background.

MR ABI AYIDA
CHAIRMAN

CHAIRMAN'S STATEMENT

Dear distinguished shareholders, representatives of regulatory agencies present, fellow Directors, Ladies and Gentlemen.

I am happy to welcome you to the 63rd Annual General Meeting (AGM) of our great Company, Berger Paints Nigeria Plc., holding today, 24 May 2023, at Lagos Marriot Hotel, Ikeja. On behalf of the Board of Directors of our company, I thank you for joining us today.

I am privileged to present to you, the report of our stewardship for the 2022 financial year. Additionally, the resolutions to be considered at the meeting and the rationale for these resolutions will be provided in this report in the AGM Information Pack section.

Performance Overview

Despite the significantly challenging operating environment in 2022, a review of the financial result shows improved performance across all financial indices. Berger Paints Nigeria Plc. revenue grew from ₦4.9billion to ₦6.3billion representing a 28% increase. Likewise, the profit for the year was ₦208.6million, 53% higher than ₦135.6million which was achieved in the previous year.

“Despite the significantly challenging operating environment in 2022, a review of the financial result shows improved performance across all financial indices. Berger Paints Nigeria Plc. revenue grew from ₦4.9billion to ₦6.3billion representing a 28% increase. Likewise, the profit for the year was ₦208.6million, 53% higher than ₦135.6million which was achieved in the previous year. ”

In the same light, the company's total assets grew by 8% to ₦5.528billion from ₦5.11billion in 2021.

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.

Dividend

The Board is recommending, for your kind approval, the sum of ₦202,876,413 (two hundred and two million, eight hundred and seventy-six thousand, four hundred and thirteen naira only) to be paid out as dividend. This works out at the rate of 70 kobo per share which represents a 75% increase in dividend paid in the previous financial year.

“The Board is recommending, for your kind approval, the sum of ₦202,876,413 (two hundred and two million, eight hundred and seventy-six thousand, four hundred and thirteen naira only) to be paid out as dividend. This works out at the rate of 70 kobo per share which represents a 75% increase in dividend paid in the previous financial year. ”

CHAIRMAN'S STATEMENT (CONT'D)

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 Wednesday April 26, 2023.

Changes to Board Composition

During the year under review, there were no further changes to the non-executive Board membership as no director joined or exited the Board. Whilst there were no non-executive Director additions to the Board, Mr. Adeyemi Adetomiwa was replaced from the Board following his tenure expiration as the acting MD/CEO for a substantive MD/CEO. We thank him for his diligent service to our company.

Appointment of Managing Director

On behalf of the Board, I am delighted to inform you that at the conclusion of a rigorous year-long process, Mrs Alaba Fagun was appointed as Managing Director/Chief Executive Officer effective 1 October, 2022. Mrs. Fagun brings on board, over 23 years of experience in the real estate sector having been involved in commercial, residential, institutional, and financial-based projects. Her most recent employment was at UPDC Facility Management Limited (UPDCFM). She initially joined as the Head of Facilities Management for UPDC Plc., then, following the creation of UPDCFM, was appointed as its founding Managing Director.

Mrs. Fagun started her career as an architect at Siji Dosekun Partnership, thereafter working at the Architects Co-Partnership Hertfordshire, United Kingdom where she gathered field experience. She then worked in other architectural and real estate companies in the UK before joining Broll Property Services Ltd. Lagos, Nigeria, where she served as the Senior Manager, Properties.

Following on from Broll, Mrs. Fagun served first as the Head, Major Projects at Union Bank PLC, Lagos Nigeria, and later as the Head of Facilities Management.

She holds Bachelor of Environmental Science and Bachelor of Architecture (Distinction) degrees from the University of Lagos, Nigeria. She is a Member of the British Institute of Facility Management and has undertaken several executive training courses in facilities and financial management.

Please join me in welcoming her and I trust you will extend your usual support to her as she leads our management team in driving our ongoing transformation process.

Board Diversity

You will recall that when I assumed Board leadership, I stated that Board diversity was one of the main objectives that I intended to drive. It was a significant oversight that in our almost sixty years of existence as a company we had only briefly had one female Executive Director.

With the unwavering support of my colleagues, I am pleased to report that the appointment of Mrs. Fagun exemplifies the Board's commitment to that promise of ensuring gender diversity as the Board is now a majority female Board. The Board currently comprises of seven (7) directors inclusive of the Managing Director; four (4) of which are female directors.

It is generally accepted that gender diversity on the Board makes the organization perform better. Therefore, the Board's adherence to the principles of gender diversity and inclusivity is in furtherance of the duty of the Board to recruit, nominate and appoint new Board members with the right mix of skills, knowledge and experience.

We are assured that the Company will reap the benefits of the unique and valuable contributions as well as the wealth of knowledge and experience brought by the Board of Directors.

Flexible Working Practices

I am pleased to announce that last year we became the first major manufacturing Nigerian company to permanently change to a four day work week.

CHAIRMAN'S STATEMENT (CONT'D)

Our environment is very detrimental to work-life balance. As a manufacturing company, a significant segment of our staff by the nature of their jobs are involved in repetitive tasks as part of the manufacturing process. In order to maintain our consistently high quality levels, very high levels of concentration over extended periods are required. The unrelenting and deteriorating nature of our harsh operating environment has a cumulative corroding effect on an employee's physical and mental well-being and has created an unhealthy work-life balance. We have already experienced a significant improvement in redressing this imbalance and it has not only been very beneficial to the employee but has also benefited the company.

“ Our environment is very detrimental to work-life balance. As a manufacturing company, a significant segment of our staff by the nature of their jobs are involved in repetitive tasks as part of the manufacturing process. In order to maintain our consistently high quality levels, very high levels of concentration over extended periods are required. The unrelenting and deteriorating nature of our harsh operating environment has a cumulative corroding effect on an employee's physical and mental well-being and has created an unhealthy work-life balance. We have already experienced a significant improvement in redressing this imbalance and it has not only been very beneficial to the employee but has also benefited the company. ”

The outcome of this change is enhanced productivity from better rested people. Rest and recovery being a key metric of sustained performance. Fundamental change is always very challenging as we were dealing with an existing framework that has been in place from the earliest days of formal employment.

This has been one of our most important initiatives as a company and we are extremely pleased with the results to date.

Human capital is our most precious resource as a company and we intend to nurture and protect our people in any way we can.

As an organization we are focused on thriving despite the environment and that can only be achieved through meticulous preparation, a very dynamic and an infinitely flexible approach to strategy design and implementation.

Introduction of Our Subsidiary; Swift Painting

Swift Painting Nigeria Limited ("Swift Painting") is the new subsidiary company of Berger Paints Nigeria Plc duly incorporated in 2022, under the laws of Nigeria as a provider of painting services using mechanized and advanced tools.

Swift Painting was established to take on the application portion of the "supply and apply" services provided by Berger Paint Nigeria Plc. This will enable Berger Paints Nigeria Plc to focus primarily on production and supply of our products, as well as continuous upgrades and refinement of our products. Swift painting provides technical support, trained applicators, mechanized tools and advanced products for cleaner, faster and better paint application results in homes, offices and factories, amongst others.

As part of the Berger Paints family, Swift Painting is also committed to excellent quality and customer satisfaction. Leveraging on the existing goodwill of Berger Paints Nigeria Plc and the capable and experienced human capital on the team, Swift Painting is set to dominate the paint application sector while also carving a niche for itself in the paints and allied coatings industry.

Appointment of Company Secretary:

Whilst this is outside the reporting period, the Board appointed a Company Secretary/Legal Adviser in February 2023, in the person of Mrs. Omolara Bello.

CHAIRMAN'S STATEMENT (CONT'D)

Mrs. Bello graduated from Olabisi Onabanjo University in 2003 where she studied Law and obtained an LLB. She was called to bar in November, 2005 and obtained an LLM in International and Commercial law from the University of Buckingham in 2007. She worked as an associate at Gans and Co. Solicitors before moving back to Nigeria in 2011 and had a brief stint as an Auditor at the Internal Revenue Lagos State.

From November 2013 to 2017, she served as the pioneer Head of Claims at Sifax Ports and Cargo Handling services limited (a SIFAX Group company) where she favourably negotiated a lot of contentious claims to the success of the company. She is an astute legal Practitioner who has been a recipient of numerous trainings and seminars on both the Nigerian and international platforms.

She was transferred to Skyway Aviation Handling Company Plc as the Head of Legal Services and Company Secretary in 2018. Where she provided Legal Advisory support and guidance to the CEO and also provided company secretariat services. She is a member of the Nigerian Bar Association.

I ask you to join me in welcoming her on board and I am certain that she will improve on our exacting high standards of stakeholder management that you are accustomed to.

Regulatory Infractions

For the 2022 financial year, no regulatory infraction was recorded. Credit should be given to Management and the compliance team for this.

Conclusion

As we fully emerge post pandemic, we are delighted to finally have several shareholders present physically. The year 2022 was a transformational, challenging and successful year and I must commend the courage of the Board of Directors, the management and staff of our company in embarking on initiatives to position our company back to achieving excellent results despite the challenges.

To our stakeholders, we express our gratitude for your constant trust, loyalty and support. We will not let you down and assure you of the Board's commitment to sustaining the highest standards in keeping the company in profitable business into the future.



Abi Ayida

FRC/2019/IODN/00000019260

Chairman, Board of Directors



Order Online Like a Chairman



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MANAGEMENT PROFILE

MR. ONYEBUCHI ROBERTS

CHIEF FINANCIAL OFFICER



Mr Roberts has over 18 years of experience in Accounting & Finance in the Manufacturing Industry. Prior to joining Berger Paints Plc (BPN), he was Chief Financial Officer of Ethylene Products and Lubricants Limited, an industry leader in the manufacture and sale of high-quality packaging materials.

He was also Chief Accountant at N.N. Fems Industries Limited, where he is credited for implementing the Tally Accounting Software and Internal Control systems of the company.

He had a previous stint in BPN where he worked between May 2007 to March 2015. Whilst at BPN, 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.

He was also responsible for inventory management, cost accounting, and treasury management in BPN.

He is a Chartered Accountant (CA) and holds a B.Sc. Accounting degree from Imo State University, (now Abia State University: 1989)

MR. CELESTINE ARUOTURE

CHIEF OPERATING OFFICER



Mr. Aruoture Celestine Ufuoma is a highly skilled registered civil engineer with the Council for the Registration of Engineering in Nigeria (COREN) and a seasoned Facilities Management professional. Celestine holds a Master's degree in Facilities Management from the University of Lagos (Nigeria) and an MBA from the University of South Wales (UK), making him a well-rounded professional with a deep understanding of business operations and facilities management.

With almost two decades of participation in the financial industry, Celestine has gained significant exposure from his previous work experiences at First Bank of Nigeria Limited and Union Bank Nigeria Plc, where he played pivotal roles in 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.

In addition to his work experience, Celestine holds specialization 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), which have equipped him with the necessary skills to make data-driven decisions and streamline business operations.

He is also a professional member of American Society of Civil Engineers (ASCE), International Facility Management Association (IFMA), and the Nigerian Society of Engineers (NSE), which demonstrates his commitment to professional development and his desire to contribute to the growth of the engineering profession.

Celestine is known for his leadership skills, problem-solving abilities, and his commitment to delivering efficient and effective services. His passion for team engagement and motivation has resulted in high-performing teams that consistently exceed client expectations.

MANAGEMENT PROFILE (CONT'D)

MR. OLAWALE AKINREMI

HEAD OF SALES

Mr Akinremi is the Head of Sales of Berger Paint Nig Plc. with almost 15 years in the Sales Department of BPN, Having held several positions in sales, Area Sales Manager, Regional sales manager, Corporate Sales Manager, National Franchise Manager, over the year. He holds Higher National Diploma in Marketing(HND) from The Polytechnic Ibadan, PGD and MBA in Marketing from Ladoke Akintola University of Technology also attends training with the Metropolitan school of business and management.

An experience that has spanned over 15 yrs, which cut across sales functions with very strong strength in people and customer management. He is a goal-driven and result-oriented person who thrives on challenges and drives positive changes. Focused on achieving set targets as well as providing excellent customer service(internal/external) Outstanding work ethics, commitment to team achievements and comprehensive knowledge of strategy development, channels management and communication development. Developments of latent and hard skills within a challenging and competitive environment are my strong focus



MRS. OLUWAYEMISI ILILE

HEAD, HUMAN RESOURCES

Oluwayemisi Ilile is a passionate and result-driven Human Resources professional with over 13 years of hands-on experience handling both operational and strategic human resources functions within various sectors of the Nigerian economy which includes; Mining, Retail Pharmacy, Investment Banking and Media.

She started her career at Multiverse Resources Plc as an HR & Admin Officer, working closely with 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.

She moved on to HealthPlus Pharmacy and CasaBella International Limited where she handled various human resources functions such as compensation and benefits, learning and development, employee services etc. This experience prepared her for her next role as Head, Human Resources at Meristem Securities Limited where she led the Human Resources function and handled more strategic HR functions including talent management and succession planning, career management, performance management, organizational development and change management.

Before joining Berger Paints Plc she was the Head of Human Resources at Globe Broadcasting and Communications Limited.

Oluwayemisi holds a Bachelor of Science (Education) degree in Economics from the University of Lagos and she is an Associate of the Chartered Institute of Personnel Management of Nigeria (ACIPM) and a Senior Professional in Human Resources International (SPHRI) from HR Certification Institute. She has undertaken other training in HR. She volunteers with WAVE Academy as a Coach, Mentor and Facilitator.

She joined Berger Paints Plc on the 1st of May as Head of Human Resources.



MANAGEMENT PROFILE (CONT'D)

MRS. OMOLARA BELLO

COMPANY SECRETARY/LEGAL ADVISER



Mrs. Omolara Bello joined Berger Paints on February 15, 2023, she graduated from Olabisi Onabanjo University in 2003 where she studied Law and obtained an LLB. She was called to bar in November, 2005 and obtained an LLM in International and Commercial law from the University of Buckingham in 2007. She worked as an associate at Gans and Co. Solicitors before moving back to Nigeria in 2011 and had a brief stint as an Auditor at the Internal Revenue Lagos State.

From November 2013 to 2017, Bello served as the pioneer Head of Claims at Sifax Ports and Cargo Handling services limited (a SIFAX Group company) where she favourably negotiated a lot of contentious claims to the success of the company. She is an astute legal Practitioner who has been a recipient of numerous trainings and seminars on both the Nigerian and international platforms.

Bello was transferred to Skyway Aviation Handling Company Plc as the Head of Legal Services and Company Secretary in 2018. Where she provided Legal Advisory support and guidance to the CEO and also provide company secretariat services. She is a member of the Nigerian Bar Association.



MRS ALABA FAGUN
MANAGING DIRECTOR

MD/CEO'S STATEMENT

Dear Shareholders,

Welcome to the 63rd 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 2022.

I am delighted to report on the improved performance of Berger Paints Nigeria Plc for the financial year ended December 31, 2022. Being my inductive year as the Managing Director / Chief Executive Officer of our 64-year-old institution, I am grateful to be part of this success story.

Despite the challenging business environment, the company was able to achieve growth in production, revenue and profit after tax.

Business Performance

Our achieved revenue growth of 28% for the year under review was largely due to our ability to adapt to the changing market conditions, our continuous investment in innovation, and the unwavering support of our loyal customers.

“Our achieved revenue growth of 28% for the year under review was largely due to our ability to adapt to the changing market conditions, our continuous investment in innovation, and the unwavering support of our loyal customers. ”

Production output also achieved a growth of 2% which churned out a profit (after tax) growth of 53%, affirming not only our drive towards production efficiency but also our market sales mix. To drive efficiency of our production, water base products are fully delivered by our automated factory, in turn increasing quality assurance as well as resource optimisation.

“Production output also achieved a growth of 2% which churned out a profit (after tax) growth of 53%, affirming not only our drive towards production efficiency but also our market sales mix. To drive efficiency of our production, water base products are fully delivered by our automated factory, in turn increasing quality assurance as well as resource optimisation. ”

With the gains of the year 2022, we are more equipped to deliver more exceptional service to our customers and sustainable growth of the business.

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2023 Outlook

The year 2022 presented us with numerous challenges. These included, scarcity of foreign exchange for the purchase of imported raw materials, inflation, low purchasing power of customers, and the lack of adequate standardisation in the Nigerian paint manufacturing industry leading to influx of cheap substandard and or adulterated alternative products. These challenges (amongst others) persist in 2023, but we are continually developing strategies to address them.

MD/CEO'S STATEMENT (CONT'D)

Plans are being implemented to lock down prices of raw materials over longer production cycles, enhance our sales approach for critical need (must buy) products, and campaign for the standardisation of the industry. Efforts are being made to internationally revalidate the safety levels of our products to serve as industry standards for Nigeria and indeed Africa. It is our belief that these measures will go a long way in mitigating the impact of the prevailing challenges and position us for sustained growth in the future.

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Permit me to inform our esteemed shareholders that the rebranding of Berger Paints Nigeria Plc has commenced and is one of our key strategies for increasing connectivity with our customers. Our aim is to create a fresh and modern brand identity that better reflects our redefined values, vision, and mission as a company. This rebranding will involve a complete overhaul of our marketing and communication strategies, as well as our visual identity.

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Rebranding of Berger Paints Nigeria Plc will enable us to connect more effectively with our customers, build stronger relationships, and ultimately, drive sustainable growth for the company. We are confident that this rebranding will help us to stand out in the competitive Nigerian paint industry and maintain our position as a leading player in the market. Whilst a soft launch of the new brand was done on March 29th 2023 to enable us commence the exercise in phases, the grand/full launch is also in the works and its date shall be communicated in due course as we plan to take on the African Market.

Appreciation

I would like to use this opportunity to acknowledge and appreciate the passion and dedication of our workforce and business partners, who have been instrumental in our success. Their commitment to delivering quality products and excellent customer service has been unwavering, and we are confident that they will be more motivated and engaged in 2023 to deliver even more impressive results.

Permit me to also acknowledge the unwavering support of the Chair and Board of Directors. Their dedication to the company has aided the workforce in the pursuit of our common goals.

MD/CEO'S STATEMENT (CONT'D)

Finally, I would like to express my gratitude to our esteemed shareholders for the confidence bestowed on us. We remain committed to creating value for our stakeholders and look forward to another successful year.



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

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NOTICE OF 63RD ANNUAL GENERAL MEETING

Notice is hereby given that the 63rd 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 Wednesday May 24, 2023 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 31st December, 2022, together with the reports of the Directors, Auditors, Board Appraisers and Audit Committee thereon.
2. To declare a dividend.
3. To elect a director.
 - a. Mrs. Alaba Fagun
4. To re-elect the following Directors retiring by rotation.
 - a. Mrs. Aisha Umar
 - b. Mrs. Erejuwa Gbadebo
5. To authorize 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 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@meristemregisters.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 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

III. Closure of Register of Members and Transfer Books

The Register of Members and Transfer Books of the Company will be closed from Thursday, April 27 2023 to Wednesday May 3, 2023 (both days inclusive) for the purpose of updating the Register of Members.

NOTICE OF 63RD ANNUAL GENERAL MEETING (CONT'D)

IV. Proposed Dividend/Payment Date

The Board of Directors of the Company are recommending a dividend of 70 kobo per 50 kobo ordinary share, payable less Withholding Tax. If the recommendation is approved at the meeting, the dividend will be paid electronically on May 24 2023, to shareholders whose names appear on the Register of Members as of April 26 2023, and who have completed the e-dividend registration and mandated the Registrars to pay their dividends directly into their bank accounts. Shareholders are advised to forward particulars of their account details to the Registrars to enable direct credit of their dividends on the same day.

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. Election/Re-Election of Directors

Mrs. Alaba Fagun is being proposed to be elected as a Director. Additionally, Mrs. Aisha Umar and Mrs. Erejuwa Gbadebo 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 Stock Exchange Rules on Transactions with Related Parties, the Company is required to seek a renewal of the general mandate from shareholders as per item 8 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 Rules Governing Transactions with Related Parties or Interested Persons, Rulebook of Nigerian Exchange Limited (NGX) 2015, Issuers' Rules.

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

NOTICE OF 63RD ANNUAL GENERAL MEETING (CONT'D)

customercare@bergerpaintsnig.com.

X. 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 May 16, 2023.

XI. Profile of Directors

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

Dated the 24th Day of April, 2023.

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 63RD ANNUAL GENERAL MEETING

Dear Shareholders,

We welcome you to the 63rd 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 Wednesday, May 24, 2023, 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 December 31, 2022, together with the reports of the Directors, Auditors, Board Appraisers, and Audit Committee thereon 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 2022 Audited Financial Statements have been prepared and included in the 2022 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 2022 Board Appraisal.

The 2022 Audited Financial Statements gives an overview of the financial performance of the Company for the year ended December 31, 2022. 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 63RD ANNUAL GENERAL MEETING (CONT'D)

2. RESOLUTION ON DIVIDEND PAYABLE

Resolution

"That a dividend payment in the total sum of ₦202,876,413 (Two Hundred and Two Million, Eight Hundred and Seventy-Six Thousand, Four Hundred and Thirteen Naira) which translates to 70 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 Thursday, April 26, 2023, 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 ₦202,876,413 (Two Hundred and Two Million, Eight Hundred and Seventy-Six Thousand, Four Hundred and Thirteen Naira) out of the distributable reserve of the Company as dividend in respect of the financial year ended December 31, 2022. This translates to 70 Kobo per each 50 kobo ordinary share of the Company held, subject to withholding tax.

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

3. RESOLUTION ON THE ELECTION OF DIRECTOR

Resolution

"That the election of Mrs. Alaba Fagun as a director of Berger Paints Nigeria Plc. is hereby approved"

Rationale

During the course of the 2022 financial year, the erstwhile Acting Managing Director/Chief Executive Officer, Mr. Adeyemi Adetomiwa resigned from the Board.

To ensure a seamless transition, the Board appointed Mrs. Alaba Fagun as the Managing Director/Chief Executive Officer subject to your approval. Mrs. Fagun brings on board over 23 years of experience in the real estate sector having been involved in commercial, residential, institutional, and financial-based projects. She comes with vast experience having served many relevant management roles such as: Senior Manager at the Broll Property Services Ltd. Lagos; Head, Major Projects and later Head of Facilities Management at Union Bank PLC, Lagos Nigeria; and Managing Director at UPDC Facility Management Limited. Her detailed profile is contained in this report.

We therefore urge you to vote in favour of this resolution.

4. RESOLUTION ON RE-ELECTION OF DIRECTORS

Resolution(s)

4a. *"That Mrs. Aisha Umar, who having retired by rotation, being eligible and having offered herself for re-election, is duly re-elected."*

4b. *"That Mrs. Erejuwa Gbadebo, who having retired by rotation, being eligible and having offered herself 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.

INFORMATION GUIDE FOR THE 63RD ANNUAL GENERAL MEETING (CONT'D)

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 Mrs. Aisha Umar and Mrs. Erejuwa Gbadebo.

The instant resolution, therefore, is for you to re-elect Mrs. Aisha Umar and Mrs. Erejuwa Gbadebo who will be retiring 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 Mrs. Aisha Umar and Mrs. Erejuwa Gbadebo to the Board as Directors.

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

Resolution

"That the remuneration and expenses of the Company's Auditor, Messrs. KPMG 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 authorize 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 External Auditor is Messrs. KPMG Professional Services.

We therefore urge you to vote in support of the motion to authorize the Directors to fix the remuneration and expenses of the Company's Auditor KPMG 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 2022 financial year was NGN95,839,481.87

Rationale

One of the novel provisions of CAMA 2020 is the requirement for the disclosure of the remuneration of managers of a company has been added as part of the ordinary business to be transacted at an AGM. 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 annual general meeting whilst section 238 of CAMA 2020 provides that it should be treated as ordinary business.

For the 2022 financial year, a total sum of NGN95,839,481.87 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)

INFORMATION GUIDE FOR THE 63RD ANNUAL GENERAL MEETING (CONT'D)

- | | | |
|----|----------------------|------------------------------|
| 3. | _____ | (Shareholder Representative) |
| 4. | Mrs. Ogechi Ihenacho | (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. Authorize the Internal Auditor to carry out investigations into any activity of the Company which may be of interest or concern to the committee; and
- 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. Mrs. Ogechi Ihenacho
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.

INFORMATION GUIDE FOR THE 63RD ANNUAL GENERAL MEETING (CONT'D)

8. 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 authorization 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 Financial Statements of the Company for the year ended 31 December 2022.

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.

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.

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>	2022	2021
Revenue	6,331,634	4,964,796
Operating profit	386,022	199,544
Profit before minimum tax	387,790	190,761
Profit before income tax	355,579	178,089
Profit after tax	208,670	135,635
Total comprehensive income for the year	208,670	135,635

4. Dividend

The directors are pleased to recommend to shareholders the payment of a dividend of 70 kobo per share for the 2022 financial year which amounts to ₦202,876,413 subject, to the approval of the members at the Annual General Meeting (2021: ₦115,929,000 that is, 40 kobo per share). 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 May 24, 2023.

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.

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

DIRECTORS' REPORT (CONT'D)

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, 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 eight Directors consisting of three Independent Non-Executive Director, four Non-Executive Directors (which included the Chairman) and one Executive Director (i.e. the Managing Director). The Board met six (6) times in 2022. 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 summarized hereunder:

S/N	Name	26-Jan	25-Mar	21-Apr	28-Jul	27-Oct	23-Nov	No. (6)
		-22	-22	-22	-22	-22	-22	
1	Mr. Abi Ayida	P	P	P	P	P	P	6
2	Mr. Raj Mangtani	A	P	P	P	P	P	5
3	Mr. Adekunle Olowokande	P	P	P	P	P	P	6
4	Mrs Ogechi Iheanacho	P	P	P	P	P	P	6
5	Mrs Erejuwa Gbadebo	P	P	P	P	P	P	6
6	Mrs Aisha Umar	P	P	P	A	P	P	6
7	Mr. Victor Olusegun Adeniji	P	R	R	R	R	R	1
8	Mrs. Alaba Fagun	NYA	NYA	NYA	NYA	P	P	2

P - Present; NYA- Not Yet Appointed; R - Retired; 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, Alaba Fagun (wef 4th October, 2022) was appointed as Managing Director to replace Adeyemi Adetomiwa who whose contract tenure expired 30 September 2022.

(iii) Board Training

Directors have the opportunity to attend programs, relating to governance and business practices, as part of their continuing education. For the 2022 financial year, the directors attended the following trainings.

- Board Role in Strategy - Institute of Directors – July, 2022.
- Strategy for Enhancing Board Audit Committee Effectiveness – Platinum Edge Consulting- October, 2022.

(iv) Directors retiring by rotation

The Directors retiring by rotation in accordance with the Companies and Allied Matters Act 2020 are Mrs. Aisha Umar and Mrs. Erejuwa Gbadebo who, being eligible offer themselves for re-election.

DIRECTORS' REPORT (CONT'D)

(v) Directors' interest in shares as at 31 December 2022

The interests of each Director in the shares of the Company, as at 31st December 2022, 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, 22	Direct 31 Dec, 21	Indirect Interest 31 Dec, 22	Indirect Interest 31 Dec, 21	Interest in Contracts	
Mr. Abi Ayida	625,601	625,601	Jurewa Investment	16,685,111	Jurewa Investment	None
			Alemaje and Company Limited	16,315,506	Alemaje and Company Limited	
Mrs Erejuwa Gbadebo	Nil	Nil	Nil	Nil	None	
Mrs Ogechi Iheanacho	Nil	Nil	Nil	Nil	None	
Mr. Raj Mangtani	Nil	Nil	Nil	Nil	Raw materials and product formulation, through Emychem Nigeria Ltd.	
Mrs Aisha Umar	Nil	Nil	Nil	Nil	None	
Mr. Adekunle Olowokande	197,965	197,965	Nil	Nil	None	
Mrs. Alaba Fagun	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 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 2022. 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:

DIRECTORS' REPORT (CONT'D)

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 are detailed below:

S/N	Name	18-Jan	14-Apr	15-Jul	11-Oct	17-Nov	8-Dec	No. (6)
		-22	-22	-22	-22	-22	-22	-22
1	Mr. Adekunle Olowokande (Chair)	P	P	P	P	P	P	6
2	Mr Raj Mangtani	P	P	P	P	P	P	6
3	Mrs Aisha Umar	P	P	P	P	P	P	6
4	Mrs. Alaba Fagun	NYA	NYA	NYA	NYA	P	P	2

P - Present; R - Retired; NYA - Not Yet Appointed; NMM - No More Member

Establishment Remuneration & Governance Committee: The responsibilities of the Committee are to:

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

DIRECTORS' REPORT (CONT'D)

- 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 Board composition includes at least three (3) Independent Directors.
- 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 adequate succession planning for Board of Directors and key management staff in BPN.
- 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	18-Jan-22	14-Apr-22	7-Jul-22	6-Oct-22	No. (4)
1	Mrs Erejuwa Gbadebo (Chair)	P	P	P	P	4
2	Mrs 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; R - Retired; NYA - Not Yet Appointed; NMM - No More Member; A - Apology

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

- 1 Review the audited and unaudited accounts of the Company. It shall also be 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.
- 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.

DIRECTORS' REPORT (CONT'D)

- 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	20-Jan-22	24-Mar-22	19-Apr-22	13-Jul-22	19-Jul-22	18-Oct-22	No. (6)
1	Mrs Ogechi Iheanacho (Chair)	P	P	P	P	P	P	6
2	Mrs Erejuwa Gbadebo	P	P	P	P	P	P	6
3	Mr. Kunle Olowokande	P	P	P	P	P	P	6
4	Mr Victor Olusegun Adeniji	P	R	R	R	R	R	1

P - Present; R - Retired; NYA - Not Yet Appointed; NMM - No More Member; A - Apology

8. Statutory Audit committee

Within the year under review, the Audit Committee comprised of two non-executive directors and three shareholders' representatives. The Committee, in the conduct of its affairs as stipulated in Section 404 of the Companies and Allied 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 5 times in 2022 as detailed below.

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

S/N	Name	21-Mar-22	23-Mar-22	21-Jul-22	20-Oct-22	12-Dec-22	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	Mr. Kunle Olowokande	P	P	P	P	P	5
5	Mrs. Ogechi Iheanacho	P	P	P	P	P	5

P - Present; R - Retired; NYA - Not Yet Appointed; NMM - No More Member; 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. Donations made during the year amounted to ₦694,002 (2021: ₦1.34 million) as shown below:

DIRECTORS' REPORT (CONT'D)

Beneficiary	Purpose	2022
<i>In thousands of naira</i>		
Lagos University Teaching Hospital (LUTH)	Repainting of surgical ward	410,662
Lagos State University Teaching Hospital (LASUTH)	Internal and external repainting	160,340
Obafemi Awolowo University	Donation of paint	123,000
Total		694,002

10. Quality policy and innovation

Berger Paints 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;

- Maximising the benefits from new opportunities, challenges and initiatives
- Avoiding damage to the Company's reputation
- Taking appropriate risks for appropriate returns while improving shareholders' value
- Prioritising effectively between different risks
- Demonstrating good corporate governance by managing our risks effectively

12. Safety and Environmental 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 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

DIRECTORS' REPORT (CONT'D)

- 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 (2021: 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.

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.

Suppliers

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

- 1 Lewis Berger Intl. Supplies Ltd (United Kingdom)
- 2 Transmare Chemie
- 3 Oliver+Batlle

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

- | | | | |
|----|--------------------------------------|----|--------------------------------------|
| 1 | Amoke Oluwo & Sons | 22 | Nycil Ltd. |
| 2 | Avery Nigeria Limited | 23 | Onokeno Business Venture |
| 3 | Avon Crowncaps & Containers Nig. Plc | 24 | Orkila Chemicals Limited |
| 4 | Carose Nigeria Limited | 25 | Phobica Chemicals Ltd. |
| 5 | Chizzy Nig Ltd. | 26 | Regatta Industries Ltd. |
| 6 | Cormat Nig Ltd. | 27 | Remfemlaby Nig Enterprises |
| 7 | Dafe Industries Ltd. | 28 | Robinson Ventures Ltd. |
| 8 | Didoboss International Company | 29 | Samking Chemical Ltd. |
| 9 | Emychem Nigeria Limited | 30 | Shokay Resource Ventures |
| 10 | Eurobridge Ind. Ltd. | 31 | Somaluck Chemical & Products Venture |
| 11 | Falcon Chemicals Ltd. | 32 | Sowis Energy Limited |
| 12 | Festo-Chem Ventures | 33 | Sudunni Nig Ltd. |
| 13 | Glister Success Ltd. | 34 | The Freedom Group Ltd. |
| 14 | Jo-Noble Chem. Ltd. | 35 | Trisa Nig. Ltd. |
| 15 | Lexcel Products & Packaging Ltd. | 36 | Wahum Pkg Ltd. |
| 16 | Logata Point Services Limited | 37 | Whitex Industries (Nigeria) Limited |
| 17 | Mathsix Mega Investment Ltd. | 38 | Yadebell Global Ventures |
| 18 | Melvyn Nickson Nigeria Limited | 39 | Zadema Ventures |

DIRECTORS' REPORT (CONT'D)

19	Metoxide (Nigeria) Ltd.
20	Nagode Industries Ltd.
21	Nampak Nig. Plc

14. Independent Auditor

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue 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 auditor 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 2022.

BY ORDER OF THE BOARD



Omolara Bello

Company Secretary/Legal Adviser

28 March 2023

FRC/2019/NBA/00000019782

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2022

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 2022

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 2022 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 2022

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 2022 financial year.

CORPORATE GOVERNANCE REPORT (CONT'D)

For the year ended 31 December 2022

BOARD COMMITTEES



MR KUNLE OLOWOKANDE

*Chair, Finance and
General Purpose Committee*

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 2022



MRS. EREJUWA GBADEBO
*Chair, Establishment Remuneration
& Governance Committee*

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 2022



MRS. OGECHI IHEANACHO

Chair, Board Audit, Strategy & Risk Management Committee:

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 2022



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 year ended 31 December 2022

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IRFS) and in the manner required by the CAMA 2020 and the Financial Reporting Council of Nigeria Act, 2011.

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 Company's ability to continue as a going concern and have no reason to believe that the 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, 2023



Adekunle Olowokande (FRC/2019/IODN/00000019259)

Director

March 28, 2023

STATEMENT OF CORPORATE RESPONSIBILITY

For the year ended 31 December 2022

Further to the provisions of section 405 of the CAMA 2020, we, the Managing Director and Chief Financial Officer, hereby certify the financial statements of the Berger Paints Nigeria Plc for the year ended 31 December 2022 as follows:

- a) That we have reviewed the audited Company financial statements of the Company for the year ended 31 December 2022.
- b) That the audited company's 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 company's financial statement and all other audited financial information included in the statements fairly present, in all material respects, the financial conditions and results of operation of the Company as of and for, the year ended 31 December 2022.
- 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 is made known to the officer by other officers of the Company during the period ended 31 December, 2022.
- e) That we have disclosed the following information to the Company's Auditors and Audit Committee:
 - I. There are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data, and have identified for the Company's auditors any material weaknesses in internal controls, and
 - II. There is no fraud that involves management or other employees who have significant role in the Company's internal control.

SIGNED ON BEHALF OF THE COMPANY BY:



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

Managing Director

March 28, 2023



Onyebuchi Roberts (FRC/2013/ICAN/00000002109)

Chief Financial Officer

March 28, 2023

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

In compliance with the provisions of Principle 11.4.7.3 of the Nigerian SEC 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 Guidelines hereby report that:

1. A comprehensive internal control framework was developed for the Company,
2. The Committee obtained appropriate (internal and/or external) assurance in the discharge of its responsibilities.
3. Ensured the design and operating effectiveness of the Company's internal controls over the financial reporting systems are contained in this Report.
4. The Committee oversaw the process for the identification of fraud risks across the Company and ensure that adequate prevention, detection, and reporting mechanisms are 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 consideration and appropriate action;
6. The Committee maintained oversight of financial and non-financial Reporting;
7. Reviewed and ensured that adequate whistle-blowing policies and procedures are in place and the issues reported through the whistle-blowing mechanism are summarized and presented to the board;
8. Reviewed with the external auditors, any audit scope limitations or significant matters encountered and management's responses to same;
9. Developed a 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. Oversaw the development of a Related Party Transactions Policy and monitored its implementation by Management;
12. Held at least once a year, a discussion with the head of the internal audit function and the external auditors without the presence of 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

DCSL Corporate Services Limited

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Tel: +234 9 461 4902
RC NO. 352393

19th April 2023

REPORT OF THE EXTERNAL CONSULTANTS ON THE PERFORMANCE EVALUATION OF THE BOARD OF DIRECTORS OF BERGER PAINTS NIGERIA PLC FOR THE YEAR ENDED DECEMBER 31, 2022.

DCSL Corporate Services Limited (DCSL) was engaged by Berger Paints Nigeria Plc (“the Company”) to carry out a performance evaluation of the Board of Directors for the year-ended December 31, 2022, in line with the provisions of Principle 14 of the Nigerian Code of Corporate Governance 2018 (NCCG), and Guideline 9 of the Securities and Exchange Commission Corporate Governance Guidelines (SCGG). The appraisal entailed a comprehensive review of the Company’s corporate and statutory documents, the Minutes of Board and Committee meetings, policies currently in place, other ancillary documents made available to us, and responses to Board and Peer Review Surveys administered to Directors.

To ascertain the extent of compliance with relevant corporate governance principles and appraise the performance of the Board, we benchmarked the Company’s corporate governance structures, policies and processes against the provisions of the NCCG and SCGG as well as global Best Practices and considered 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 of Performance;
5. Risk Management and Compliance;
6. Corporate Citizenship; and
7. Transparency and Disclosure

Having reviewed the policies and processes put in place by the Board, we confirm that Berger Paints Nigeria Plc has substantially complied with the provisions of the NCCG and SCGG and that the activities of the Board and the Company align with corporate governance best practices. We believe that the Board is committed to the sustenance of best corporate governance practices in the Company and will continue to provide effective leadership for the Company.

Details of our key findings and recommendations are contained in our detailed Report.

Yours faithfully,

For: DCSL Corporate Services Ltd



Bisi Adeyemi
Managing Director
FRC/2013/NBA/00000002716

REPORT OF THE STATUTORY 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 31st December, 2022 were adequate in our opinion.
2. The accounting and reporting policies of the Company conformed to statutory requirements and agreed ethical practices.
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 2022 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 (FCA)	Shareholder Representative/Member
4	Mrs Ogechi Iheanacho	Non-Executive Director/Member
5	Mr. Kunle Olowokande	Non-Executive Director/Member

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

Dated 23 March 2023



Mr. Chibuzor Eke

Chairman, Audit Committee

FRC/2013/NIMN/00000004670

2022 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), part of the fulfillment of our environmental friendly 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 the environmental impact associated with our activities through;

- 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 uses low energy bulbs to reduce power consumption
- Flow switch is included in water system to regulate water usage
- There is an effective water treatment plant for paint effluents

At BPN, we are intentional about our products by ensuring that the environment is at the epicenter of our production. While technology has over the years taken over some products which were not so suitable for environmental preservation, we have ensured that our products maintain the least hazards to health and the environment at large.



2. Health and Safety Policy

The safety of our employees is key and we at BPN take every precaution to provide a safe workplace where there is a zero-tolerance policy for workplace violence. Our operations and procedures are regularly certified by both state and federal regulatory agencies. Accidents are investigated, and corrective actions are 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 is 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 performance

2022 SUSTAINABILITY REPORT (CONT'D)

- 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 environment, in case of emergencies; and
- Continuously training employees to create safety consciousness

We have a duration of 8 working hours per day and in 2022, we recorded a sterling occupational safety profile of zero fatalities and zero environmental spills.

We also have an in-house canteen where heavily subsidized healthy, safe and nutritious meals are 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. The company's policy on managing diversity recognizes that there are differences among employees and that harnessing these differences creates 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. BPN is committed to providing employment for physically challenged persons.

BPN does not permit direct or indirect discrimination against any employee on the grounds of ethnicity, nationality, sex, sexual orientation, disability, religion, marital status, or age. The Company encourages equal opportunities as a human resources policy and in dealing with human resources issues, we encourage equity, fair play; learning, quality of life, and ethical operations among others.

The principle of Diversity is well appreciated at BPN. Our staff composition is well diverse and a diversity policy has been adopted by the Company. Our Board composition also reflects strong gender diversity with three female (3) directors out of a total of 6 Board members.

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 the continuous development of the skills and abilities of employees in order to maximize their contribution.

BPN has a fully funded and comprehensive health policy that covers not only members of the BPN family but their dependents as well, under a comprehensive plan with approved Health Management Organizations (HMO). In addition, we have an in-house clinic staffed 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.

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

2022 SUSTAINABILITY REPORT (CONT'D)

In line with Section 40 of the 1999 Constitution of the Federal Republic of Nigeria on the right to freedom of association, we also accommodate the activities of trade unions without discrimination and we have been able to achieve industrial harmony over time.



4. Corporate Social Responsibility

We at BPN adhere to the tenets of good corporate governance in which CSR plays a pivotal role.

BPN's 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.

4.1. 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 the safety of staff/suppliers/vendors/partners/people
- Protect customers
- Support human rights.
- Engage, respect, and support host communities
- Support society and humanities

4.2. BPN CSR Pillars

The following are BPN CSR Focus Areas:

- Education
- Health
- Charity
- Environment

BPN commits not less than 0.1% of her annual projected turnover to various CSR projects based on the BPN CSR Pillars.

Education - We actively seek educational advancement projects such as school painting and beautification, volunteer teaching, building renovation, scholarship for students, factory excursions, and a painters' academy. This will cover professional and educational institutions.

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

Charities - We recognize that there are inner-city communities within our society as well as orphanages, old people's homes, and schools for the challenged. These segments of the community are usually supported.

2022 SUSTAINABILITY REPORT (CONT'D)

Environment - We contribute to a safe environment by providing and complimenting government activities through various environmental and socially impacting initiatives such as the provision of pedestrian crossings and other road marking signs. We initiate and actively participate in eco-safe initiatives.

BPN usually executes varied CSR projects annually with the details included in BPN's Annual Report and Accounts.

Each year, after consultation with stakeholders, we will review the organization's priority out of the Four Pillars.



4.3. Taking The Lead

In 2022, BPN reaffirmed its commitment to its 1st and 2nd Pillar of CSR on Education and Health.

BPN repainted the surgical ward of Lagos University Teaching Hospital (LUTH), Lagos State University Teaching Hospital (LASUTH) Medical Emergency and Donation of Paints to Obafemi Awolowo University (OAU) with the cost of N1,733,662

With a sense of duty to act responsibly through our activities by ensuring that our business operations are friendly toward all stakeholders, we are encouraged to do more and poised to even better our current sustainability framework because we are excited as to what lies ahead in our green future agenda.



2022 SUSTAINABILITY REPORT (CONT'D)





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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Berger Paints Nigeria Plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Berger Paints Nigeria Plc (the Company), which comprise:

- the statement of financial position as at 31 December 2022;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

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 Financial Statements section of our report. We are independent of the 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 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 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.

Revenue Recognition

Revenue is the most significant item in the Statement of Profit or Loss and Other Comprehensive Income and impacts 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 requires the application of judgement by management in the estimation of the percentage of completion of individual contracts as at year end.

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Partners:

Adegoke A. Oyelami	Boluwaji D. Aparapa	Martins I. Aroge	Olutoyin I. Oguntowo	Williams I. Erimona
Adetola P. Adoyami	Chibuzor N. Anyaniche	Mohammed M. Adaria	Oluwafemi O. Awotoye	
Adewale K. Ajayi	Chineme B. Nwigbo	Nneka C. Eluma	Oluwatoyin A. Gbogi	
Ajibola O. Olomola	Dunni D. Okegbemila	Ogunteyo I. Ogunbenro	Omolara O. Ogun	
Akinwale O. Alao	Elijah O. Oladunmoye	Olabimpe S. Afolabi	Oseme J. Obalajo	
Akinyemi J. Ashade	Goodluck C. Obi	Oladimeji I. Salaudeen	Temitope A. Onitiri	
Ayobami L. Salami	Ibitomi M. Adepoju	Olanike I. James	Tolulope A. Odukale	
Ayodele A. Soyinka	Ijeoma T. Emezio-Ezigo	Olufemi A. Babem	Uzoakwu N. Obioma	
Ayodele H. Othihiwa	Kabir O. Okunola	Olumide O. Olayinka	Uzodinma G. Nwanikwo	
Bolanle S. Afolabi	Lawrence C. Anadi	Olusegun A. Sowande	Victor U. Onyenika	



How the matter was addressed in the audit

Our audit procedures included the following:

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

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

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Financial Highlights, Directors' Report, Statement of Directors' Responsibilities, Statement of Corporate Responsibility, Report of the Audit Committee and Other National Disclosures, which we obtained prior to the date of this auditor's report; but does not include the 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 Activities, amongst others, together the "outstanding reports", which are expected to be made available to us after that date.

Our opinion on the 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 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 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 Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011, 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 financial statements, the directors are responsible for assessing the 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and 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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Audit Committee, we determine those matters that were of most significance in the audit of the 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.

Signed by.

Omolara O. Ogun, FCA

FRC/2012/ICAN/00000000412

For: KPMG Professional Services

Chartered Accountants

31 March 2023

Lagos, Nigeria



STATEMENT OF FINANCIAL POSITION


As at 31 December 2022

In thousands of naira		2022	2021
Assets	Notes		
Property, plant and equipment	14(a)	2,400,715	2,534,363
Intangible assets	15	27,827	36,152
Rights of use assets	14(f)	50,651	91,410
Tax assets	11(c)(ii)	42,050	20,120
Investment property	16	361,874	382,234
Total non-current assets		2,883,117	3,064,279
Inventories	17	1,366,787	1,166,616
Trade and other receivables	18(a)	243,351	305,517
Deposit for imports	19	87,925	2,674
Prepayments and advances	20	91,763	36,346
Other financial assets	22	359,747	317,608
Cash and cash equivalents	21	495,838	217,629
Total current assets		2,645,411	2,046,390
Total assets		5,528,528	5,110,669
Equity			
Share capital	23(a)	144,912	144,912
Share premium	23(b)	635,074	635,074
Retained earnings		2,543,459	2,450,717
Total equity		3,323,445	3,230,703
Liabilities			
Loans and borrowings	26	-	7,875
Deferred income	25	59,005	109,298
Deferred taxation	11(d)	455,882	323,732
Total non-current liabilities		514,887	440,905
Loans and borrowings	26	25,131	137,498
Current tax liabilities	11(c)(i)	14,759	8,622
Trade and other payables	24	1,226,474	918,785
Deferred income	25	33,036	10,749
Dividend payable	28	390,796	363,407
Total current liabilities		1,690,196	1,439,061
Total liabilities		2,205,083	1,879,966
Total equity and liabilities		5,528,528	5,110,669


These financial statements were approved by the Board of Directors on 28 March 2023 and signed on its behalf by:



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



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

Additionally certified by: 

Onyebuchi Roberts (FRC/2013/ICAN/00000002109)
Chief Financial Officer

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

<i>In thousands of naira</i>	Notes	2022	2021
Revenue	5	6,331,634	4,964,796
Cost of sales	9(a)	(4,326,316)	(3,382,076)
Gross profit		2,005,318	1,582,720
Other income	6	92,534	77,320
Selling and distribution expenses	9(a)	(316,082)	(261,765)
Administrative expenses	9(a)	(1,384,169)	(1,190,586)
Operating profit before credit impairment charges		397,601	207,689
Impairment loss on trade receivables	8	(11,579)	(8,145)
Operating profit		386,022	199,544
Finance income	7	17,319	26,843
Finance costs	7	(15,551)	(35,626)
Net finance income/cost		1,768	(8,783)
Profit before minimum tax and income tax expense		387,790	190,761
Minimum tax expense	12	(32,211)	(12,672)
Profit before income tax	8	355,579	178,089
Income tax expense	11(a)	(146,909)	(42,454)
Profit for the year		208,670	135,635
Other comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		208,670	135,635
Earnings per share:			
Basic and diluted earnings per share (kobo)	13	72	47

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

<i>In thousands of naira</i>	Note	Share Capital	Share Premium	Retained Earnings	Total Equity
Balance at 1 January 2022		144,912	635,074	2,450,718	3,230,703
Comprehensive income for the year					
Profit for the year		-	-	208,670	208,670
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	208,670	208,670
Transactions with owners, recorded directly in equity					
Dividend	28	-	-	(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
Balance at 1 January 2021		144,912	635,074	2,366,986	3,146,973
Comprehensive income for the year					
Profit for the year		-	-	135,635	135,635
Write back of statute barred dividend	28	-	-	64,025	64,025
Total comprehensive income for the year		-	-	199,660	199,660
Transactions with owners, recorded directly in equity					
Dividend	28	-	-	(115,929)	(115,929)
Total transactions with owners		-	-	(115,929)	(115,929)
Balance at 31 December 2021		144,912	635,074	2,450,718	3,230,703

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

<i>In thousands of naira</i>	Note	2022	2021
Cash flows from operating activities			
Profit for the year		208,670	135,635
Adjustments for:			
- Depreciation	9(b)	239,541	243,486
- Amortisation	15	8,325	16,426
- Finance income	7	(17,319)	(26,843)
- Impairment loss on trade receivables	8	(11,579)	(8,145)
- Interest expense on lease liabilities	7	3,011	- 15,187
- Interest expense on financial liabilities measured at amortised costs	7	12,540	- 20,439
- Gain on sale of property, plant and equipment	8	-	(21,235)
- Minimum tax expense	12	32,211	12,672
- Taxation	11(a)	146,909	42,454
		622,309	430,076
<i>Changes in:</i>			
- Inventories	17(b)	(200,171)	(464,322)
- Trade and other receivables	18(c)	45,618	73,128 (8,682)
- Deposit for imports	19(b)	(85,251)	63,162
- Prepayments and advances	20(a)	(77,347)	(6,897)
- Trade and other payables	24(c)	307,689	214,416
- Deferred income	25	(28,006)	45,022
Cash generated from operating activities		584,841	272,775
Tax paid	11(c)	(13,323)	(6,856)
Net cash generated from operating activities		571,518	265,919
Cash flows from investing activities			
Purchase of property plant and equipment	14(g)	(44,773)	(95,090)
Proceeds from sale of property, plant and equipment		-	25,075
Interest income on bank deposits	7	732	543
Additions to investment in financial assets	22	(27,389)	(34,685)
Net cash used in investing activities		(71,430)	(104,157)
Cash flows from financing activities			
Repayment of Principal Loans and Borrowings	26(b)	(126,652)	(153,746)
Interest paid	26(b)	(6,687)	(20,371)
Dividend paid	28	(88,540)	(126,615)
Net cash used in financing activities		(221,879)	(300,732)
Net Increase/(Decrease) in cash and cash equivalents		278,209	(138,970)
Cash and cash equivalents at 1 January		217,629	356,599
Cash and cash equivalents at 31 December	21	495,838	217,629

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

S/N		Page	S/N		Page
1	Reporting entity	71	19	Deposit for imports	100
2	Basis of preparation	71	20	Prepayments and advances	100
3	Significant accounting policies	72	21	Cash and cash equivalents	101
4	Changes in Significant Accounting Policies	90	22	Other financial assets	101
5	Revenue	90	23	Capital and reserves	101
6	Other income	91	24	Trade and other payables	101
7	Finance income and finance costs	92	25	Deferred income	102
8	Profit before tax	91	26	Loans and borrowings	102
9	Expenses	92	27	Dividends	103
10	Personnel expenses	93	28	Dividend payable	104
11	Taxation	94	29	Related Parties	104
12	Minimum tax	95	30	Financial instruments – Fair values and financials risk management	105
13	Basic earnings and diluted earning per share	95	31	Leases	112
14	Property, plant and equipment	96	32	Provision of Non Audit Services	113
15	Intangible assets	98	33	Contingencies	113
16	Investment property	98	34	Subsequent events	113
17	Inventories	99	35	Operating segments	113
18	Trade and other receivables	99			

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

1 Reporting Entity

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

Its subsidiary, Lewis Berger Paints Ghana Limited (a dormant entity), was incorporated in Ghana with effect from 22 October, 2013 as a private limited liability company. The subsidiary is domiciled in Ghana and its principal activity is the sale and distribution of paints and allied products.

2 Basis of Accounting

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies and Allied Matters Act, (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011. The 2022 financial statements were authorised for issue by the Board of Directors on 28 March 2023.

(b) Basis of measurement

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

- Non-derivative financial instruments are initially measured at fair value.
- Inventories: Lower of cost and net realisable value.

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgment

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

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

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

Note 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(L) and 5	revenue recognition and measurement of revenue from rendering of painting services

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

Note 2(e) and 30(a)	determination of fair values
Note 3(G) and 30(b)	impairment of financial assets: Expected credit loss and forward looking information

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

(e) Measurement of fair values

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

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

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

3 Significant Accounting Policies

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

A.	Foreign currency transactions	72	P.	Earnings per share	85
B.	Financial instruments	73	Q.	Leases	86
C.	Capital and other reserves	76	R.	Statement of cashflows	87
D.	Property, plant and equipment	76	S.	Operating segment	87
E.	Intangible assets	77	T.	Dividends	88
F.	Investment property	78	U.	Prepayments and advances	88
G.	Impairment	79	V.	Deposit for imports	88
H.	Contingent liabilities and contingent assets	81	W.	Investment in subsidiary	88
I.	Employee benefits	81	X.	Related parties	88
J.	Inventories	82	Y.	New standards and interpretations not yet adopted	88
K.	Revenue by nature	82			
L.	Cash and Cash Equivalent	83			
M.	Finance income and finance costs	83			
N.	Other Income	83			
O.	Taxation	84			

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

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

B. Financial instruments

i. Recognition and initial measurement

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

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

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

ii. Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

Business model assessment:

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

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

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

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

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

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

In making this assessment, the Company considers:

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

Financial assets- Subsequent measurement and gains and losses

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

Financial liabilities- Classification, subsequent measurement and gains and losses

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

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

(iv) **Derecognition and offsetting**

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss. Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

C. Capital and other reserves

i. Share capital

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

ii. Share premium

When the company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares is transferred to the share premium account. Any transaction costs associated with the share issues are deducted from share premium account, net of any related income tax benefits. The use of the share premium account is governed by S.120 (3) of the Companies and Allied Matters Act 2020.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

ii. Subsequent cost

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

iii. Derecognition

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

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

iv. Depreciation

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

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

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

	2022	2021
• Leasehold land	Not depreciated	Not depreciated
• Buildings	20 years	20 years
• Plants and machinery		
- Fixed plant	12-40 years	12-40 years
- Movable plant	7 years	7 years
- Generators	5 years	5 years
• Motor vehicles		
- Trucks	6 years	6 years
- Cars	4 years	4 years
• Furniture and fittings	5 years	5 years
• Computer equipment	5 years	5 years
• Motor vehicles under lease	lease period	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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

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 the remaining useful life of the Asset. The useful life of computer software is 5 years (2021: 5 years) As disclosed in Note 2(f), the Company revised the useful life of Computer software from 3 years to 5 years.

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

Internally generated intangible assets

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

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

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

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

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

F. Investment property

i. Recognition and measurement

An investment property is either land or building or part of 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

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

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation on investment property commences as soon as the asset is available for use.

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

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

• Buildings	–	20 years
• Leasehold land	–	Unlimited

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

iv. Transfers

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

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

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

G. Impairment

Non-derivative financial assets

i. Financial instrument

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

When determining whether the credit risk of a financial asset has increased significantly since initial

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

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

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

- the debtor 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 90 days past due.

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

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

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

ii Measurement of ECLs

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

iii Credit-impaired financial assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

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

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

v **Write off**

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

H. **Provisions, Contingent liabilities and contingent assets**

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

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

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

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

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

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

I. **Employee benefits**

i. **Defined contribution plan**

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

deductions while the Company's contributions are charged to profit and loss.

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

ii. Short-term employee benefits

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

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

iii. Termination benefits

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

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

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

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

Revenue is recognised when the goods are delivered and have been accepted by customers. The Company allocates a portion of consideration received to loyalty points as applicable. The allocation is based on the relative stand alone selling prices. The amount allocated to the loyalty

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

program is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points become remote. The deferred revenue is included in contract liabilities.

b Contract services - supply and apply services contract

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

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

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

L. Cash and Cash Equivalent

Cash and cash equivalents as shown in the statement of financial position comprise cash in hand, bank balances and time deposits which are readily convertible to cash with original maturities of three months or less.

M. Finance income and finance costs

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

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

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

N. Other Income

Other Income includes;

(i) Government Grant

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

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

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

(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.

O. Taxation

Income tax

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

(a) Current tax

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

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

(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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

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

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

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

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

(c) **Minimum tax expense**

The Company is subject to the Finance Act 2020 which amended the Company Income Tax Act (CITA). Total amount of tax payable under the Finance Act is determined based on the higher of two components; Company Income Tax (based on taxable income (or loss) for the year); and Minimum tax (determined based on 0.25% of qualifying Company's turnover less franked investment income). Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The liability is recognised under current tax liabilities in the statement of financial position.

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

P. **Earnings per share**

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

Q. Leases

i. As a lessee

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

ii. **As a lessor**

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

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

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

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

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

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

The Company recognizes lease payments received under operating leases as income in profit or loss on a straight-line basis over the lease term

R. **Statement of cashflows**

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

S. **Operating Segment**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

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

T. Dividends

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

U. Prepayments and advances

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

V. Deposit for imports

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

W. Investment in subsidiary

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

X. Related parties

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

Y. New standards and interpretations not yet adopted

Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2023 and early application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements. These include the following standards and interpretations that are applicable to the business of the Company but are not expected to have a significant impact on the Company's financial statements.

(I) Standards issued but not yet effective.

A. *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*

The amendments narrow the scope of the initial recognition exemption to exclude transactions

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

B. Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments, as issued in 2020, aim to clarify the requirements on determining whether a liability is current or non-current, and apply for annual reporting periods beginning on or after 1 January 2023. However, the IASB has subsequently proposed further amendments to IAS 1 and the deferral of the effective date of the 2020 amendments to no earlier than 1 January 2024. Due to these ongoing developments, the Company is unable to determine the impact of these amendments on the financial statements in the period of initial application. The Company is closely monitoring the developments.

C. Other Standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

i. Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).

Disclosure of Accounting Policies (Amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2, Making Materiality Judgements), continues the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include:

- requiring companies to disclose their material accounting policies instead of their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The standard is effective for annual periods beginning on or after 1 January 2023.

ii. Definition of Accounting Estimates (Amendments to IAS 8) - Amendments to Accounting Estimates.

The amendment clarifies how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively.

The amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The standard is effective for annual periods beginning on or after 1 January 2023.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

iii. *Amendment to IFRS 16 - Lease Liability in a Sales and Leaseback*
ease Liability in a Sale and Leaseback

(Amendments to IFRS 16) requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

iv. *Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments require the full gain to be recognised when assets transferred between an investor and its associate or joint venture meet the definition of a 'business' under IFRS 3 Business Combinations. Where the assets transferred do not meet the definition of a business, a partial gain to the extent of unrelated investors' interests in the associate or joint venture is recognised. The definition of a business is key to determining the extent of the gain to be recognised. When a parent loses control of a subsidiary in a transaction with an associate or joint venture (JV), there is a conflict between the existing guidance on consolidation and equity accounting. Under the consolidation standard, the parent recognises the full gain on the loss of control. But under the standard on associates and JVs, the parent recognises the gain only to the extent of unrelated investors' interests in the associate or JV. In either case, the loss is recognised in full if the underlying assets are impaired. The IASB has decided to defer the effective date for these amendments indefinitely.

4 Changes in Significant Accounting Policies

The Company has applied the accounting policies as set out in Note 3 to all periods presented in these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

5 Revenue

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

<i>In thousands of naira</i>		Recognition policy	2022	2021
(i)	Revenue from contract with customers			
-	Sale of paints and allied products*	At a point in time	6,198,304	4,852,895
-	Contract services	Overtime	133,330	107,553
			6,331,634	4,964,796

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

<i>In thousands of naira</i>	2022	2021
Revenue (net of value added tax)	7,544,251	5,880,938
Discounts and rebates	(1,345,947)	(1,028,043)
	6,198,304	4,852,895

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

(b) **Contract balances**

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

<i>In thousands of naira</i>	2022	2021
Billed receivables in respect of sales of paints and allied products	229,919	302,127
Unbilled receivables in respect of contract services	2,591	2,160
Trade receivables (Note 18(a))	232,510	304,287

(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 (2021: Nil).

6 Other income

Other income comprises:

<i>In thousands of naira</i>	2022	2021
Sale of Scrap	18,766	11,010
Income on property leases*	43,134	34,119
Profit from disposal of property, plant and equipment	-	21,235
Sale of Raw Material	9,336	4,769
Income from enrolment of new distributors	21,298	10,956
	92,534	82,089

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

Sales of raw material amounting to ₦9.3 million (2021: ₦4.8 million) and income on property leases amounting to ₦6 million (2021: ₦4.3 million) has been reclassified from revenue to other income.

7 Finance income and finance cost

Recognised in profit or loss:

<i>In thousands of naira</i>	2022	2021
Interest income on bank deposits	732	543
Foreign currency exchange (gain)/loss	(617)	7,961
Interest income on other financial assets	14,750	15,552
Net gain on financial liabilities measured at amortised costs	2,454	2,787
Total finance income	17,319	26,843
Interest expense on lease liabilities	(3,011)	(15,187)
Interest expense on financial liabilities measured at amortised costs.	(12,540)	(20,439)
Total finance cost	(15,551)	(35,626)
Net finance income recognised in profit or loss	1,768	(8,783)

8 Profit before income tax

Profit before tax is stated after charging:

<i>In thousands of naira</i>	Note	2022	2021
Directors' emoluments	9(a)	56,648	87,394
Depreciation	9(b)	239,541	243,486
Amortisation	15	8,325	16,426
Personnel expenses	10(a)	762,878	686,092
Auditors' remuneration	9(a)	20,996	23,000
Impairment loss on trade receivables	18(b)	11,579	8,145
Minimum tax	12	32,211	12,672
Profit on disposal of property, plant and equipment	6	-	21,235

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

9 (a) Expenses

(i) Analysis of expenses by nature	Note	2022	2021
<i>In thousands of naira</i>			
Raw materials and consumables	9a(iii)	3,939,360	3,056,751
Directors emoluments	10(d)	56,648	87,394
Personnel expenses	10(a)	762,878	686,092
Training expenses		1,340	4,174
Repairs and maintenance		101,424	75,970
Office and corporate expenses		72,256	51,092
License and permits		29,257	24,290
Utilities		116,782	74,151
Insurance		22,295	15,422
Travel, transport and accommodation		96,416	87,594
Rent, rate and levies		1,544	10,539
Subscriptions and donations		5,368	6,139
Donations		694	1,342
Depreciation	9(b)	239,541	243,486
Amortisation	15	8,325	16,426
Printing and stationery		26,495	16,366
Professional fees		96,798	65,708
Auditors' remuneration		23,000	23,000
Bank charges		11,472	6,439
Advertisement and publicity expenses		76,865	65,270
Distribution expenses		250,796	196,495
Contract services expenses		98,592	20,287
		6,038,146	4,834,427
<i>In thousands of naira</i>			
		2022	2021
Summarised as follows:			
(ii) Cost of sales		4,326,316	3,382,076
Selling and distribution expenses		327,661	261,765
Administrative expenses		1,384,169	1,190,586
Total cost		6,038,146	4,834,427
(iii) Raw materials and consumables mainly relate to other material cost, finished goods, stock adjustment, research and development cost, cost variance and overhead recovery cost.			
<i>In thousands of naira</i>			
		2022	2021
Summarised as follows:			
Finished Goods		3,921,464	2,933,611
Other material cost		972	156,223
Inventory Adjustment		9,640	-
Cost variance		5,248	(34,842)
Research & Development cost		2,036	1,760
Total Raw materials and consumables		3,939,360	3,056,751

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

(b) **Depreciation**

<i>In thousands of naira</i>	Note	2022	2021
Depreciation charged for the year comprises:			
Depreciation of property, plant and equipment	14	178,422	181,611
Depreciation of right of use asset	14	40,759	41,089
Depreciation of investment property	16	20,360	20,786
Total depreciation		239,541	243,486

10 **Personnel expenses**

(a) Personnel expenses, including remuneration of the executive director during the year comprises:

<i>In thousands of naira</i>	2022	2021
Salaries, wages and allowances	719,005	647,595
Employer contribution to compulsory pension fund scheme	43,873	38,497
	762,878	686,092

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

		2022	2021
		Number	Number
N	N		
500,001	- 1,000,000	-	3
1,000,001	- 1,500,001	9	15
1,500,001	- 2,000,001	23	47
2,000,001	- 3,000,001	48	35
3,000,001	and above	47	33
		127	133

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

	2022	2021
	Number	Number
Production	21	23
Sales and marketing	41	48
Finance & HR	6	10
Admin/Control	4	12
Maintenance	6	6
Corporate	12	5
Logistic & Supply chain	16	13
Information Technology (IT)/CSR	2	2
Technical & Compliance	13	9
Safety & Security	6	5
	127	133

(d) Remuneration paid to non-executive directors of the Company and charged to the profit or loss are as follows:
The fees paid to non-executive Directors for the year includes retirement benefits paid to two (2) retired Directors within the year amounted to 2022: ₦14 million (2021: ₦20.3 million).

<i>In thousands of naira</i>	2022	2021
Fees paid to non-executive directors	56,648	87,394
	56,648	87,394

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

The directors' remuneration shown above includes:

<i>In thousands of naira</i>	2022	2021
Chairman (Highest Paid Director)	7,500	6,000

Other directors excluding the chairman received emoluments in the following ranges:

			2022 Number	2021 Number
	N	N		
	3,000,001	- 5,000,000	4	4
	5,000,001	- 8,000,000	1	1
			5	7

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:

<i>In thousands of naira</i>	2022	2021
Current tax expense:		
Nigeria Police Trust Fund Levy (NPTF)	19	8
Tertiary education tax	14,740	8,614
Charge for the year	14,759	8,622
Deferred tax expense:		
Origination and reversal of temporary differences (Note 11(d))	132,150	33,83
Income tax expense	146,909	42,454

- (b) Reconciliation of effective tax rate:

<i>In thousands of naira</i>	%	2022	%	2021
Profit for the year		208,670		135,635
Taxation		146,909		42,454
Profit before taxation		355,579		178,089
Income tax using the Company's domestic rate of 30%	30	106,674	30	53,427
Tertiary education tax @ 2.5%	2.5	8,889	2	4,452
Effect of:				
- NPTF levy	-	19	-	8
- Non-deductible expenses	9	32,640	1	(10,471)
- Tax exempt income	(0)	(798)	(9)	(2,412)
- Tax incentives	(0)	(515)	(1)	(2,550)
Tax expense	41	146,909	30	42,454

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

<i>In thousands of naira</i>	2022	2021
Current tax liabilities		
i. Opening tax liability 1 January	8,622	30,835
Current year charge	14,759	8,622
Minimum tax charge	32,211	12,672
Cash payments	(13,323)	(6,856)
Set-off of current assets	(27,510)	(36,652)
Balance as at year end (A)	14,759	8,622
Total net current tax assets/liabilities as at 31 December 2021 (A-B)	27,291	11,498

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

ii.	WHT credit notes		
	As at 1 January	20,120	-
	Additions	49,440	56,772
	Set-off of current assets	(27,510)	(36,652)
	Balance as at year end (B)	42,050	20,120

(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
31 December 2022					
Property, plant and equipment	390,099	138,488	528,587	-	528,587
Unrealized Exchange Loss	-	(201)	(201)	(201)	-
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)	-
Net tax (assets)/ liabilities	323,732	132,150	455,882	(72,705)	528,587
31 December 2021					
Property, plant and equipment	363,651	26,448	390,099	-	390,099
Allowance on trade receivable	(52,096)	(2,607)	(54,703)	(54,703)	-
Right of use assets	4,667	9,345	14,012	-	14,011
Provision for gratuity discontinued	(713)	-	(713)	(713)	-
Provision for slow moving inventories	(25,609)	646	(24,963)	(24,963)	-
Net tax (assets)/ liabilities	289,900	33,832	323,732	(80,379)	404,110

12 Minimum tax

Minimum tax in current year has been computed based on 0.5% of turnover in line with the Finance Act, 2020 and this amounts to ₦32.2 million (2021: ₦12.7million).

Minimum tax Comprises:

<i>In thousands of naira</i>	2022	2021
Minimum tax	32,211	12,672
Minimum tax expenses	32,211	12,672

13 Basic and diluted earnings per share

Basic earnings per share of 70 kobo (31 December 2021: 47 kobo) is based on the profit for the year of ₦209 million (31 December 2021: ₦136 million) and on 289,823,447 (2021: 289,823,447) ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue during the year.

Basic earnings per share is the same as diluted earnings per share as the company has no potentially dilutive instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

14

Property Plant and equipment

(a) The movement on these accounts was as follows:

In thousands of naira

Note	Leasehold Land N'000	Buildings N'000	Plants and Machinery N'000	Furniture and fittings N'000	Motor Vehicles N'000	Computer Equipment N'000	TOTAL N'000
Cost							
Balance at 1 January 2021	390,000	1,303,887	1,502,189	64,552	233,653	132,898	3,627,179
Additions (g)	-	6,313	49,172	1,195	2,571	35,839	95,090
Disposals	-	-	(6,788)	-	(87,429)	(1,952)	(96,169)
Balance at 31 December 2021	390,000	1,310,200	1,544,573	65,747	148,795	166,785	3,626,100
Balance at 1 January 2022	390,000	1,310,200	1,544,573	65,747	148,795	166,785	3,626,100
Additions (g)	-	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	172,591	3,670,873
Accumulated depreciation							
Balance at 1 January 2021	78,081	301,411	288,586	42,377	203,747	88,253	1,002,455
Charge for the year	-	65,313	75,054	6,615	13,579	21,050	181,611
Disposals	-	-	(6,788)	-	(83,589)	(1,952)	(92,329)
Balance at 31 December 2021	78,081	366,724	356,852	48,992	133,737	107,351	1,091,737
Balance at 1 January 2022	78,081	366,724	356,852	48,992	133,737	107,351	1,091,737
Charge for the year	-	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	129,277	1,270,158
Carrying amounts							
At 31 December 2021	311,919	943,476	1,187,721	16,755	15,058	59,434	2,534,363
At 31 December 2022	311,919	880,968	1,127,858	13,331	23,325	43,314	2,400,715

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

(b) Assets pledged as security

No asset of the Company was pledged as security for loan as at 31 December, 2022 (December 2021: Nil)

(c) Impairment of property, plant and equipment

No impairment loss was recognised for the year (2021: Nil).

(d) Capital commitments

Capital expenditure commitments for the year ended 31 December 2022 authorised by the Board of Directors comprise:

<i>In thousands of naira</i>	2022	2021
Approved but not contracted	342,766	127,717
	342,766	127,717

No Capitalised borrowing cost included in capital work in progress for the year (December 2019: ₦45.72 million).
No Capital work-in-progress during the year.

(e) Property, plant and equipment under construction

There are no property, plant and equipment under construction (2021: Nil)

(f) Right of use assets

Right of use assets comprises motor vehicles under finance leases.

<i>In thousands of naira</i>	Motor Vehicles Under Lease	Total
Cost		
Balance at 1 January 2021	182,350	182,350
Additions	-	-
Balance at 31 December 2021	182,350	182,350
Balance at 1 January 2022	182,350	182,350
Balance at 31 December 2022	182,350	182,350
Accumulated depreciation		
Balance at 1 January 2021	49,851	49,851
Charge for the year	41,089	41,089
Balance at 31 December 2021	90,940	90,940
Balance at 1 January 2022	90,940	90,940
Charge for the year	40,759	40,759
Balance at 31 December 2022	131,699	131,699
Carrying amounts		
At 31 December 2021	91,410	91,410
At 31 December 2022	50,651	50,651

(g) Additions in statement of cash flows

<i>In thousands of naira</i>	2022	2021
Additions (Note 14(a))	44,773	95,090
	44,773	95,090

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

15 Intangible assets

<i>In thousands of naira</i>	Intangible assets under development			
	Note	Computer Software	Intangible assets under development	Total
Cost				
Balance at 1 January 2021		80,810	28,138	108,948
Reclassification		28,138	(28,138)	-
Balance at 31 December 2021		108,948	-	108,948
Balance at 1 January 2022		108,948	-	108,948
Additions		-	-	-
Balance at 31 December 2022		108,948	-	108,948
Accumulated amortisation				
Balance at 1 January 2021		56,370	-	56,370
Charge for the year	9(a)	16,426	-	16,426
Balance at 31 December 2021		72,796	-	72,796
Balance at 1 January 2022		72,796	-	72,796
Charge for the year	9(a)	8,325	-	8,325
Balance at 31 December 2022		81,121	-	81,121
Carrying amounts				
At 31 December 2021		36,152	-	36,152
At 31 December 2022		27,827	-	27,827

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 year amounts to N8.3million (2020: N16.43million) 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>	2022	2021
Cost		
Balance at 1 January	604,468	604,468
Balance at 31 December	604,468	604,468
Accumulated depreciation		
Balance at 1 January	222,234	180,349
Charge for the year	20,360	21,099
Balance at 31 December	242,594	201,448
Carrying amounts at year ended	361,874	403,020

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 ₦43 million (2021: ₦34million).

Direct operating expenses (included in repairs and maintenance expenses) arising from investment property that generated rental income during the year was Nil (2021: Nil)

Depreciation of ₦20.36 million (31 December 2021: ₦20.79 million) charged on investment property for the year was included in cost of sales

The fair value of the investment property as at year-end is ₦2.42 billion (31 December 2021: ₦2.35 billion). The Company engaged an independent valuer to determine the fair value (Jide Taiwo and Co.) with the Financial Reporting Council of Nigeria (FRC) No: FRC/2012/NIESV/000000000254. The valuation was carried out by Umoru Yakub with FRC number FRC/2014/NIESV/00000008842. The fair value measurement of investment property has been categorised as a Level 2 fair value based on the input to the valuation techniques used.

17 Inventories

(a) <i>In thousands of naira</i>	2022	2021
Raw and packaging materials	955,795	919,804
Finished products	401,446	255,108
Product-in-process	11,570	16,647
Consumable spare parts	34,802	53,062
	1,403,613	1,244,621
Impairment allowance	(36,826)	(78,005)
	1,366,787	1,166,616

The value of raw and packaging materials, changes in finished products and products in process consumed during the year and recognised in cost of sales amounted to ₦3.9 billion (2021: ₦3.05 billion). In addition, the carrying amount of inventory has been reduced by ₦7.8 million (2021: Nil) arising from the write down of inventory to net realizable value. The write down was recognized as an expense during the year and was also included in cost of sales.

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

<i>In thousands of naira</i>	2022	2021
Movement in Inventory	(200,171)	109,754
Changes in Inventory per statement of cash flows	(200,171)	109,754

18 Trade and other receivables comprises:

Trade and other receivables comprises:

(a) <i>In thousands of naira</i>	2022	2021
Trade receivables (Note 5(b))	229,919	302,127
Lease receivable	83,688	83,688
Staff debtors	1,264	1,946
Receivable from Company's registrar	81,036	81,036
Contract assets	2,591	2,160
Other receivables*	5,056	7,011
Receivable from related party	23,827	-
	427,381	477,968
Impairment allowance	(184,030)	(172,451)
Carrying amount as at year ended	243,351	305,517

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

*Other receivables includes insurance claim receivables and rental income receivable.

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 year was as follows:

<i>In thousands of naira</i>	2022	2021
Balance at 1 January	172,451	164,306
Net impairment loss recognised	11,579	8,145
Balance at 31 December	184,030	172,451

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

<i>In thousands of naira</i>	2022	2021
Movement in trade and other receivables	62,166	11,864
Exchange gain	(617)	7,961
Impairment Loss	11,579	8,145
Changes in trade and other receivables per statement of cash flows	73,128	27,970

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>	2022	2021
Deposit for Imports	87,925	2,674
	87,925	2,674

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

<i>In thousands of naira</i>	2022	2021
Movement in deposit for imports	(85,251)	63,162

20 Prepayments and advances

Prepayments and advances comprises:

<i>In thousands of naira</i>	2022	2021
Advance payment to suppliers	43,470	17,079
Prepaid insurance and others	48,293	19,267
	91,763	36,346

This represents payments made in advance to IT Consultants in respect of IT related services.

There were no non-current prepayments and advances made at year-end (2021:Nil)

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

<i>In thousands of naira</i>	2022	2021
Movement in prepayment and advances	(55,417)	13,223
Movement in WHT credit notes	(21,930)	(20,120)
Changes in prepayments and advances per statement of cash flows	(77,347)	(6,897)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

21 Cash and cash equivalents

Cash and cash equivalents comprises:

In thousands of naira

	2022	2021
Cash on hand	195	317
Balance with banks	495,643	217,312
Cash and cash equivalents	495,838	217,629

The short term deposit with banks included in cash and cash equivalents is with rollable maturity of thirty (30) days term (2018).

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 Company's registrar and invested in Fixed Deposit.

As at 31 December 2021, the investment is analysed as stated below:

	2022	2021
At 1 January	317,608	267,371
Additions	27,389	34,685
Interest income	14,750	15,552
At 31 December	359,747	317,608

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

In thousands of naira

289,823,447 ordinary shares of 50k each (2021: 800,000,000

ordinary shares of 50k each)

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

	2022	2021
	144,912	400,000
	144,912	144,912

(b) Share premium

In thousands of naira

At 1 January

At 31 December

	2022	2021
At 1 January	635,074	635,074
At 31 December	635,074	635,074

In current year, the Company cancelled its 510,176,553 million unissued ordinary shares of 50k each and amended its Memorandum of Association of the Company be amended accordingly.

24 Trade and other payables

(a) Trade and other payables comprises:

In thousands of naira

Trade payables

Customer deposits for paints

Statutory payables

Related party payables (Note 29 (a))

Pension payable (Note (b))

Accruals

Other payables

	2022	2021
Trade payables	681,276	456,682
Customer deposits for paints	210,738	152,340
Statutory payables	175,414	73,404
Related party payables (Note 29 (a))	-	7,075
Pension payable (Note (b))	7,655	5,216
Accruals	141,900	192,902
Other payables	9,491	31,166
	1,226,474	918,785

Other payables include gratuity and co-operative deductions

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

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

(b)	Pension payable		
	<i>In thousands of naira</i>	2022	2021
	Balance at 1 January	5,216	9,382
	Charge for the year	68,974	60,488
	Remittances	(66,535)	(64,654)
	Balance at 31 December	7,655	5,216

(c)	Reconciliation of changes in trade and other payables included in statement of cash flows		
	<i>In thousands of naira</i>	2022	2021
	Movement in trade and other payable	307,689	(100,220)
	Changes in trade and other payables per statement of cash flows	307,689	(100,220)

25 Deferred income

Deferred income comprises:

	<i>In thousands of naira</i>	2022	2021
	Government grant (note (a))	65,968	68,422
	Lease income received in advance	26,073	51,625
	Deferred income	92,041	120,047
	Non-current	59,005	109,298
	Current	33,036	10,749
		92,041	120,047

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

	<i>In thousands of naira</i>	65968	68422
	Movement in trade and other payable	28,006	45,022
	Changes in trade and other payables per statement of cash flows	28,006	45,022

- (a) Government grant relates to the benefit received from below-market-interest rate government assisted loans, obtained from the Bank of Industry to purchase items of buildings and plant & machinery for the installation of the automated water based paint production factory. The production plant was completed and became available for use on 30 December, 2019. The grant will be amortised on a systematic basis over the average useful life of the components of the items of buildings and plant & machinery. Unwinding of the government grant has been recognised in profit or loss for the year ended 31 December 2022: N2.4million (2021: N2.74million)

26 Loans and borrowings

In thousands of naira

31 December 2022	Non-current liabilities	Current liabilities	Total
Bank of Industry loan	-	25,131	25,131
Lease liability	-	-	-
		25,131	25,131
31 December 2021	Non-current liabilities	Current liabilities	Total
Bank of Industry loan	7,875	89,820	97,695
Lease liability	-	47,678	47,678
	7,875	137,498	145,373

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

(a) Terms and repayment schedule

				31 December 2022		31 December 2021		
		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	25,131	105,223	97,695
(ii)	Lease liability 1	NGN	18%	2022	-	-	15,131	15,131
(iii)	Lease liability 2	NGN	15%	2022	-	-	32,547	32,547
Total interest-bearing loans					26,573	25,131	152,901	145,373

(i) **Bank of Industry Loan**

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" (Bank Guarantee) in favour of Fidelity Bank Plc. The applicable interest rate is 10% per annum. The loan is repayable in seventy monthly instalments (including a twelve months moratorium between March 2017 to February 2018) at various dates between March 2018 to March 2023.

For the year ended 31 December 2022, net interest expense of ₦12.50 million which accrued on the facility, was charged to Profit or loss (2021: ₦20.44 million was expensed to Profit or loss).

(ii) **Lease liability**

The lease was provided by Financial Derivatives Company Limited for eighteen (18) motor vehicles, required for replacement of aged sales field force vehicles and part for administrative/operational use. The applicable lease interest rate is 18% per annum, it is repayable in thirty six (36) monthly equal instalments at various dates between September 2019 to August 2022. In 2020, the Company entered into a lease arrangement for the procurement of one (1) motor vehicles for a lease interest rate of 15% per annum, it is repayable in twenty four (24) monthly equal instalments at various dates between May 2020 to May 2022.

As at 31 December 2022, interest expense and related charges of ₦3.0 million (2021: ₦15.19 million) was due on the lease facility and recognised in profit or loss. The total cash outflows in respect of principal and interest lease payments was ₦50 million (2021: ₦70.07 million) and is included as part of repayment of borrowings in the statement of cashflows. No addition to lease liability in the current year.

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

in thousands of naira

	2022	2021
Balance, beginning of year	145,373	286,651
Repayment of principal	(126,652)	(153,746)
Repayment of interest	(6,687)	(20,371)
Net gain on financial liabilities measured at amortised costs	(2,454)	(2,787)
Interest accrued in profit or loss	15,551	35,626
Balance, end of the year	25,131	145,373

27 **Dividends**

The following dividends were declared and paid by the Company;

	Per share (kobo)	2022 N'000	Per share (kobo)	2021 N'000
Declared Dividend	40	115,929	40	115,929

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

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

28 Dividend payable

The movement in dividend payable is as follows:

<i>In thousands of naira</i>	2022	2021
At 1 January	363,407	438,118
Declared dividend	115,929	115,929
Write back of statute barred dividend	-	(64,025)
Payments	(88,540)	(126,615)
At 31 December 2022	390,796	363,407

29 Related Parties

Related parties include the Company's shareholders, directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the 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>	2022	2021
Short-term benefits	112,505	144,294
Post employment benefits	2,437	6,299
	114,942	150,593

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

Related Party	Nature of transaction	Transaction values		Balance Payable Receivable/(payable)	
		2022 N'000	2021 N'000	2022 N'000	2021 N'000
Emychem Limited	Supply of raw materials	34,238	47,991	-	(7,075)
Swift Painting Nigeria Ltd	Supply and apply projects	-	-	23,827	-
		34,238	47,991	-	(7,075)

Emychem Limited

During the year, the Company bought various raw materials from Emychem Limited. 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.

Swift Painting Nigeria Limited

The Company incorporated a subsidiary in Nigeria, Swift Painting Nigeria Limited, on 9 April 2022. As at 31 December 2022, the subsidiary had not commenced operations. The Company has not prepared consolidated financial statements on the account of materiality.

B. Other related party transactions

The Company incorporated a subsidiary in Ghana, Lewis Berger Ghana Limited, on 23 October 2013. As at 31 December 2022, the subsidiary remained dormant and had not commenced operations. The Company has not prepared consolidated financial statements on the account of materiality.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

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 2022, the Company did not have financial assets and liabilities measured at fair value through other comprehensive income or fair value through profit or loss.

31 December 2022 <i>In thousands of naira</i>	Fair value				
	Amortized Cost	Level 1	Level 2	Level 3	Total
<i>Financial assets not measured at fair value</i>					
Other financial assets	359,747	-	359,747	-	359,747
Trade and other receivables	243,351	-	243,351	-	243,351
Cash and cash equivalents	495,838	-	495,838	-	495,838
	1,098,936	-	1,098,936	-	1,098,936
<i>Financial liabilities not measured at fair value</i>					
Loans and borrowings	25,131	-	26,573	-	26,573
Trade and other payables*	690,767	-	690,767	-	690,767
Dividend payable	390,796	-	390,796	-	390,796
	1,106,694	-	1,108,136	-	1,108,136

31 December 2021 <i>In thousands of naira</i>	Fair value				
	Amortized Cost	Level 1	Level 2	Level 3	Total
<i>Financial assets not measured at fair value</i>					
Other financial assets	317,608	-	317,608	-	317,608
Trade and other receivables	305,517	-	305,517	-	305,517
Cash and cash equivalents	217,629	-	217,629	-	217,629
	840,754	-	840,754	-	840,754
<i>Financial liabilities not measured at fair value</i>					
Loans and borrowings	145,373	-	152,901	-	152,901
Trade and other payables*	487,848	-	487,848	-	487,848
Dividend payable	363,407	-	363,407	-	363,407
	996,628	-	1,004,156	-	1,004,156

*Trade and other payables excludes statutory deductions such as Value Added Tax payable, Withholding Tax payable, 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.

- 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

Specific valuation techniques used to value financial instruments include:

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

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

(b) Financial risk management

Overview

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

- Credit risk
- Liquidity risk
- Market risk

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

(i) Risk management framework

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

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

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company'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 Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments.

Exposure to credit risk

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

<i>In thousands of naira</i>	2022	2021
Trade and other receivables (See (a) below)	219,524	305,517
Cash and cash equivalents (excluding cash at hand) (See (b) below)	495,643	217,312
Other financial assets (See (b) below)	359,747	317,608
	1,074,914	840,437

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

(a) **Trade and other receivables**

<i>In thousands of naira</i>	2022	2021
Net trade and lease receivables (See a(i) below)	132,168	215,524
Deposit with company registrar (See a(ii) below)	81,036	81,036
Staff debtors (See a(iii) below)	1,264	1,946
Other receivables (See a(iii) below)	5,056	7,011
	219,524	305,517

(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 creditworthiness 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 year.

The Company 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 2022, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows;

<i>In thousands of naira</i>	Carrying amount	
	2022	2021
Wholesale customers	54,806	41,392
Retail customers	24,250	12,970
Others (Corporates)	153,454	249,925
Lease receivable	83,688	83,688
	316,198	387,975

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	100,342	88,764
- Impairment loss on investment property lease contracts	83,688	83,688
	184,030	172,451
Net trade and lease receivables	132,168	215,524

The Company 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 year over which the historical data has been collected and the Company'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 FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

At 31 December 2022, the ageing of trade receivables was as follows:

31 December 2022

In thousands of naira

	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%	102,395	(7,768)	94,627
Past due 31–60 days	No	12%	47,606	(5,839)	41,767
Over 61 days due	Yes	100%	86,735	(86,735)	-
			239,327	(100,342)	138,985

31 December 2021

In thousands of naira

	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%	2,160	-	2,160
Past due 1–30 days	No	16%	241,458	(38,786)	202,672
Past due 31–60 days	No	23%	20,345	(4,687)	15,658
Over 61 days due	Yes	100%	45,291	(45,291)	-
			309,254	(88,764)	220,490

At 31 December 2022, the ageing of lease receivables that were impaired was as follows:

31 December 2022

In thousands of naira

	Credit impaired	Weighted average loss	Gross	Impairment	Net
Over 61 days due	Yes	100%	83,688	(83,688)	-
			83,688	(83,688)	-

31 December 2021

In thousands of naira

	Credit impaired	Weighted average loss	Gross	Impairment	Net
Over 61 days due	Yes	100%	83,688	(83,688)	-
			83,688	(83,688)	-

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

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

<i>In thousands of naira</i>	2022	2021
Balance as at 1 January	172,451	164,306
Net impairment loss recognised	11,579	8,146
Balance as at 31 December	184,030	172,451

(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 and the Company has assessed the credit risk as low and the ECL is immaterial.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

(iii) Staff debtors and other receivables

This mainly represents lease receivable in respect of rent of an insignificant portion of the Company'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 Company 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 Company has not incurred impairment loss in respect of staff debtors and other receivables.

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

The Company held cash and cash equivalents of ₦496 million and other financial asset of ₦359 million as at 31 December 2022 (31 December 2021: ₦218 million and ₦318 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 Company 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 Company considered that its cash and cash equivalent and other financial asset have low credit risk and the assessed ECL is not material based on the external credit ratings of the counter parties.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

The Company aims to maintain the level of cash and cash equivalents at an amount above expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Company 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 2022, the expected cash flows from trade and other receivables maturing within three months were ₦127 million (31 December 2021: ₦266.3 million). This excludes the potential impact of extreme circumstances, such as natural disasters, that cannot reasonably be predicted.

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:

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

31 December 2022		Contractual cash flows					
<i>In thousands of naira</i>	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	-	-	-	-
Lease liability	-	-	-	-	-	-	-
Trade and other payables*	1,043,405	1,043,405	1,043,405	-	-	-	-
Dividend payable	390,796	390,796	390,796	-	-	-	-
	1,459,332	1,460,774	1,460,774	-	-	-	-

31 December 2021		Contractual cash flows					
<i>In thousands of naira</i>	Carrying Amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Loans and borrowings (excluding lease liability)	97,695	254,355	57,668	39,337	157,350	-	-
Lease liability	47,678	59,613	29,807	29,806	-	-	-
Trade and other payables*	561,049	561,049	561,049	-	-	-	-
Dividend payable	363,407	363,407	363,407	-	-	-	-
	1,069,829	1,238,424	1,011,931	69,143	157,350	-	-

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

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

(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 Company is exposed to currency risk on purchases that are denominated in a currency other than the functional currency of the Company. The functional currency of the Company 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 Company'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 Company monitors the movement in foreign currencies on an ongoing basis and takes appropriate actions as necessary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

Exposure to currency risk

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

	31 December 2022			31 December 2021		
	US\$	€	GBP	US\$	€	GBP
Foreign currency included in cash and cash equivalents	89,313	973	356	95,481	1,088	356

The following significant exchange rates were applied;

	Average rate during the year		Year end spot rate	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Naira				
US\$ 1	426.88	409.49	461.10	424.11
€ 1	448.08	483.73	492.32	480.10
GBP 1	525.66	547.61	555.21	571.40

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the naira against all other currencies at 31 December 2021 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest and inflation rates, remain constant and ignores any impact of forecast purchases.

<i>In thousands of Naira</i>	Profit or loss	
	Strengthening	Weakening
31 December 2022		
US\$ (20% movement)	8,236	(8,236)
€ (20% movement)	96	(96)
GBP (20% movement)	40	(40)
31 December 2021		
US\$ (20% movement)	8,099	(8,099)
€ (20% movement)	104	(104)
GBP (20% movement)	41	(41)

2. Interest rate risk

The 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:

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

Fixed rate instruments	Nominal amount	
	2022	2021
<i>In thousands of naira</i>		
Financial liabilities:		
Short term borrowings	25,131	149,223
Long term borrowing	-	137,428
	25,131	286,651

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

The Company does not have any variable rate financial assets and liabilities as at 31 December 2022 (2021: Nil).

(c) Capital management

The 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 Company's adjusted net debt to equity ratio at 31 December, was as follows:

<i>In thousands of naira</i>	2022	2021
Total liabilities	2,205,083	1,879,966
Less: Cash and Cash equivalents	(495,838)	(217,629)
Adjusted net debt	1,709,245	1,662,337
Total Equity	3,323,445	3,230,703
Net debt to equity ratio	0.51	0.51

31 Leases

A. Leases as Lessee (IFRS 16)

The 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.

The Company also entered into lease arrangements for the right to use of motor vehicles. The lease period ends in 2022; however, the Company has obtained ownership of the motor vehicles at the end of the lease period.

Right of use assets related to leased assets are presented under 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 Company leases out its investment property consisting of its owned commercial properties (see Note 16) and insignificant portion of its office premise to 3rd parties.

The 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 FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

- a. Future minimum lease payments
At as 31 December 2022 there are no future minimum lease receivable under non cancellable and each of the leases are one year (2021: Nil)
- b. Amounts recognised in profit or loss
Investment property lease income recognised for the year is ₦43 million (2021: ₦34 million) and was included in 'Other income' (see note 5(a)). Depreciation expense on the investment property was included in 'Expenses' (see note 9(b)).

32 Provision of Non Audit Services

The details of non-audit services and the applicable fees paid during the year ended 31 December 2022 were:

	2022 N' million	2021 N' million
i. Tax services	1.64	1.45
ii. Transfer pricing advisory services	1.01	0.97

33 Contingencies

The Company has a pending litigation as at the end of 2022 arising from the litigation case between Sowerscreed Ventures Ltd vs Berger Paints Nig. Plc. where the plaintiff has sued the Company 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. (2021: Nil)

34 Subsequent events

On 28 March 2023, a dividend of 70 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, distribution and selling of paints and allied products
Rendering of painting services
Rentals of trade shops and office spaces

The accounting policies of the reportable segments are described in Note 3(s).

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 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 the segments relative to other entities that operate within these industries.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

b. Information about reportable segments

In thousands of naira

	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	(223,097)	5,044	(20,360)	-	(238,413)
Net impairment loss on trade receivables	-	-	(11,579)	-	(11,579)
Reportable segment profit before taxation	330,003	34,738	11,195	11,854	387,790

	Paints and allied products	Contract revenue	Investment property rental income	Unallocated	Total
31 December 2021					
External revenues	4,852,895	107,553	4,348	-	4,964,796
Finance income	-	-	-	24,056	24,056
Finance costs	-	-	-	(15,187)	(15,187)
Depreciation & amortisation	(238,997)	(214)	(20,786)	-	(259,997)
Impairment loss on trade receivables	-	-	(8,145)	-	(8,145)
Reportable segment profit before income taxation	119,209	87,266	(24,583)	8,869	190,761

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 year.

Profit or loss

In thousands of naira

	2022	2021
Total profit or loss for reportable segments	375,936	181,892
Unallocated finance income	14,865	24,056
Unallocated finance costs	(3,011)	(15,187)
Profit before minimum taxation	387,790	190,761

Other material items

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2022

Major customer

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

**OTHER
NATIONAL
DISCLOSURES**

VALUE ADDED STATEMENT

For the year ended 31 December 2022

In thousands of naira

	2022	%	2021	%
Revenue (Note 5)	6,331,634		4,964,796	
Finance Income (Note 7)	17,319		26,843	
Other income (Note 6)	92,534		77,320	
	6,441,487		5,068,959	
Bought in materials and services				
- Imported	(85,920)		(49,290)	
- Local	(4,941,482)		(3,847,278)	
Value added	1,414,085	100	1,172,391	100
Distribution of value added				
To Employees:				
Personnel expenses	762,878	54	686,092	58
To Providers of Finance:				
Interest on loans (Note 7)	15,551	1	35,626	3
To Government:				
Taxation (Note 11(a))	146,909	10	42,454	4
Minimum tax (Note 12)	32,211	2	12,672	1
Retained in the business as:				
Depreciation (Note 9(b))	239,541	17	243,486	21
Amortisation (note 15)	8,325	1	16,426	1
To augment reserve	208,670	15	135,635	11
	1,414,085	100	1,172,391	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.

FIVE-YEAR FINANCIAL SUMMARY

For the year ended 31 December 2022

<i>In thousands of naira</i>	2022	2021	2020	2019	2018
Funds employed					
Share capital	144,912	144,912	144,912	144,912	144,912
Share premium	635,074	635,074	635,074	635,074	635,074
Retained earnings	2,543,459	2,450,717	2,366,986	2,293,414	2,033,066
Shareholder's fund	3,323,445	3,230,703	3,146,972	3,073,400	2,813,052
Current liabilities	1,690,196	1,439,061	1,328,867	1,465,725	1,285,038
Non-current liabilities	514,887	440,905	496,033	527,324	437,209
	5,528,528	5,110,669	4,971,872	5,066,449	4,535,299
Assets employed					
Non current assets	2,883,117	3,064,279	3,212,821	3,292,840	2,889,175
Current assets	2,645,411	2,046,390	1,759,051	1,773,609	1,646,124
	5,528,528	5,110,669	4,971,872	5,066,449	4,535,299
<i>In thousands of naira</i>	2022	2021	2020	2019	2018
Revenue	6,331,634	4,964,796	3,837,582	3,584,804	3,377,223
Profit before minimum tax	387,790	190,761	211,850	551,561	454,328
Profit before tax	355,579	178,089	210,903	533,099	454,328
Profit for the year	208,670	135,635	146,028	448,733	320,509
Other comprehensive income, net of tax	-	-	-	-	-
Declared dividend	115,929	115,929	72,456	188,385	144,912
Per 50k share data:					
Basic and diluted earnings per share (kobo)	72	47	50	47	111
Declared dividend per share (kobo)	40	40	25	40	50
Net assets per share (kobo)	11	11	11	11	10

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, 2022

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, 2022

RANGE			HOLDERS	%	VOLUME	%
1	-	1000	15098	42.8263	6976701	2.4072
1001	-	5000	16038	45.4927	30831140	10.6379
5001	-	10000	2096	5.9454	14646506	5.0536
10001	-	50000	1591	4.513	31259763	10.7858
50001	-	100000	213	0.6042	15016184	5.1811
100001	-	500000	178	0.5049	36397056	12.5584
500001	-	1000000	23	0.0652	15470125	5.3378
1000001	-	5000000	9	0.0255	16979927	5.8587
10000001	-	ABOVE	8	0.0227	122246045	42.1795
TOTALS	-		35254	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 2021.

Payment No.	Type	Date Declared
22	FINAL	6/7/1995
23	FINAL	6/4/1996
24	FINAL	6/3/1997
25	FINAL	6/2/1998
26	FINAL	6/1/1999
27	FINAL	6/6/2000
28	FINAL	6/5/2001
29	FINAL	6/4/2002
30	FINAL	6/3/2003
31	FINAL	6/2/2004
32	FINAL	6/8/2005
33	FINAL	6/16/2009
34	FINAL	6/8/2010
35	FINAL	6/30/2011
36	FINAL	7/3/2012
37	FINAL	5/14/2013
38	FINAL	7/22/2014
39	FINAL	7/21/2015
40	FINAL	6/9/2016
41	FINAL	5/18/2017
42	FINAL	7/6/2018
43	FINAL	5/24/2019
44	FINAL	6/24/2020
45	FINAL	5/19/2021

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

SHAREHOLDERS' INFORMATION (CONT'D)

SCHEDULE OF UNCLAIMED DIVIDEND

S/N.	Div. No.	Amount Of Dividend Declared (Gross) Naira (₦)	Amount Of Dividend Received Naira (₦)	Total Dividend Paid Out This Year Naira (₦)	Total Dividend Paid Till Date Naira (₦)	Date Of Payment	Unpaid Dividend Till Date Naira (₦)	Total Amount Returned To Company Naira (₦)	Balance With Registrars Naira (₦)
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	62,129.38	81,760,334.96	6/9/2010	16,055,078.29	14,623,976.58	1,431,101.71
3	35	152,157,309.50	136,941,578.55	2,665,694.22	100,630,599.93	7/4/2011	36,310,978.62	35,428,030.91	882,947.71
4	36	152,157,309.50	136,941,578.55	241,739.96	112,507,820.19	7/4/2012	24,433,758.36	22,389,129.37	2,044,628.99
5	37	152,157,309.50	136,941,578.55	2,344,118.52	103,816,484.10	5/21/2013	33,125,094.45	31,755,502.03	1,369,592.42
6	38	202,876,412.90	182,823,330.76	1,169,924.27	155,201,074.00	7/22/2014	27,622,256.76	26,512,560.72	1,109,696.04
7	39	217,367,585.25	196,331,041.10	1,600,462.24	166,295,611.79	7/23/2015	30,035,429.31	28,787,248.08	1,248,181.23
8	40	217,367,585.25	196,513,418.93	2,999,198.22	162,507,824.59	6/13/2016	34,005,594.34	33,635,301.85	370,292.49
9	41	144,911,773.50	132,549,753.45	399,703.95	106,331,972.85	5/23/2017	26,217,780.60	24,223,685.31	1,994,095.29
10	42	144,911,723.50	131,535,278.05	1,511,247.36	95,637,587.35	6/8/2018	35,897,690.70	36,731,845.13	-834,154.43
11	43	188,385,240.55	160,262,655.48	2,164,473.38	114,166,406.66	5/22/2019	46,096,248.82	42,839,887.36	3,256,361.46
12	44	72,455,861.75	72,455,861.75	1,024,191.76	51,076,867.87	6/22/2020	21,378,993.88	20,240,680.47	1,138,313.41
13	45	115,929,378.80	105,153,904.28	1,638,288.07	74,959,720.76	5/21/2021	30,194,183.52	27,389,080.48	2,805,103.04
14	46	115,929,378.80	104,496,404.36	74,632,489.88	74,632,489.88	5/18/2022	29,863,914.48		29,863,914.48
		2,050,500,936.80	1,849,451,045.01	92,453,661.21	1,449,476,483.28		399,974,561.73	353,294,487.88	46,680,073.85

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

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 FORMS

S/N	Name	Address	Units of Shares	Cert. No.	A/C No.	Date Issued
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Shareholder's Signature: _____ **Date:** _____

Affix Postage Stamp _____

CSR/CORPORATE EVENTS DURING THE YEAR



International Women's Day celebration with BPN Director, March 2022



Repainting of Lagos University Teaching Hospital (LUTH) Surgical Ward E3, Idiraba, Lagos, April, 2022

CSR/CORPORATE EVENTS DURING THE YEAR (CONT'D)



Industrial Visit from Department of Public Health, University of Lagos, June 2022



Unveiling of the Clement Olowokande Training Centre, July 2022

CSR/CORPORATE EVENTS DURING THE YEAR (CONT'D)



Repainting of Lagos State University Teaching Hospital (LASUTH) Medical Emergency, Ikeja, Lagos, August, 2022



Staff Sensitization on Breast Cancer Awareness, October 2022



International Men's Day celebration with MD/CEO, November 2022

BERGER BUSINESS PARTNERS

SN	Location	Name	Address	Phone
1.	Abeokuta	Tomitz Integrated Service Ltd	Laffro House, beside Hassan Furniture, Moshood Abiola Way, Abeokuta, Ogun State.	08077423937, 08158867617
2.	Abuja 1	Khafadez Resources Ltd.	6, Alexandria Crescent, Wuse II, Beside Berger Plaza, F.C.T. Abuja	07031720041
3.	Abuja 2	Khafadez Resources Ltd.	Shop 7, Opposite Lorry Park, Deidei, building materials, Abuja FCT	07031779332, 07031720041
4.	Abuja 3 - Garki	Luvi Nig. Ltd.	Samuel Iadoke Akintola Street, POWA Plaza by old CBN, Garki 2, Abuja	09062099920
5.	Abuja 4 - City Gate	Khafadez Resources Ltd.	RANO Plaza, A A Rano filling station, plot 603, kukuaba District, City gate Abuja.	07031779332, 07031720041
6.	Abuja 5 - Gwarinpa	Opa Global Ltd	Anafara Plaza, first avenue, opposite Oando filling Station, Gwarinpa Estate, Abuja	08080058308, 09062523810
7.	Akure	FFB Ventures Ltd	102 Oyemekun Rd, opposite Oyemekun Grammar School Akure	07031720051, 08063194161
8.	Asaba	De Ama Ventures	379, Nnebisi Road, Asaba, Delta State	09062099917
9.	Bauchi	Gimex Ltd	Shop 40 & 41 Powa Shopping Complex Along Dass road, Yewa, Bauchi, Bauchi State.	07057311237, 08037324100
10.	Benin	Tesan Technical	27, Murtala Mohammed Way, Benin City, Edo State	08035030263
11.	Calabar	Great AJFC Nig. Ltd.	14, Murtala Mohammed Way, Calabar	08033061825, 07031720042, 08055349686, 08055554820
12.	Calabar 2	Great AJFC Nig. Ltd.	Plot 214, First Avenue, state housing estate, Calabar	08033061825, 07031720042, 08055349686, 08055554820
13.	Ekiti	Fomkab Ventures	11, Federal Housing Estate, Along Afao Road, Ado Ekiti	08068873214
14.	Enugu	Synopsis Global Network Ltd.	33, Abakaliki Road, GRA, Enugu	09062099919
15.	Ibadan 1	Arigbamu Ogo Oluwa	1, Azeez Aina Street, Off Ring Road, Ibadan, Oyo State	07031720043

BERGER BUSINESS PARTNERS (CONT'D)

SN	Location	Name	Address	Phone
16.	Ibadan 2	Arigbamu Ogo Oluwa	Inside Debistol Oil, Olopomeji Bus Stop, Opposite Wetlands Hotel, Akobo, Ibadan. Oyo State	07031720043
17.	Ibadan 3	Arigbamu Ogo Oluwa	Plot3, Ajokaka, Elebu Market Road, Elebu, Ibadan	07031720043
18.	Ilorin	Everstplus Limited	No 4 Ifelodun Street, Off Asa Dam Road, Offa Garage, Ilorin	07031720077
19.	Jos	Splendid TSY Nig. Ltd.	1A, Constitution Hill Road, Opposite Pirelli Tyres, Jos, Plateau State	07031720046
20.	Kaduna	De-Joescon Enterprise	1440, Kachia Road, Kaduna, Kaduna State	07031720045
21.	Kano	Aikawa General Merchants	4, Ajasa Street, Off Civic Centre Road, Kano State	08131758058
22.	Lagos 1- Ikeja		102, Oba Akran Avenue, Ikeja Industrial Estate	08033030157
23.	Lagos 2 - Lekki/Ajah	Spinetti Multiservice GlobalCo. Ltd	KM 16, Lekki Epe Expressway Osapa London (Beside Polaris Bank)	08096555115
24.	Lagos 3 - Ibeju/Epe	Ladii Ventures	KM 30, Lagos Epe Expressway Casia Estate, Abijo GRA	08172452822, 07031779324
25.	Lagos 4 - Lagos/Ibadan Express	Moyinson Ltd	Berger Place, Along Lagos-Ibadan Express Way, beside Lagos State Accident & Emergency Office	07031343157
26.	Lagos 5 - Ikorodu	Forty40 Intl. Ltd.	16, TOS Benson Road, Ebute Ikorodu, Lagos	09062099918, 08069813232
27.	Lagos 6 - Surulere	Forty40 Int'l Ltd	127, Ogunlana drive, Surulere	09062099918, 08069813232
28.	Lagos 7 - Victoria Island	Kerae Industries Ltd	1-7 Muri Okunola close to Eti Osa Local government, Victoria Island.	08033139196
29.	Lagos 8 - Ikota	KC Trade Ltd	Oando Petrol Station Mall at Ikota, Second Gate Lekki-Epe Express	08139948915
30.	Maiduguri	Kawu Tijani & Sons Ltd.	105, Baga Road, Maiduguri, Borno State	08037012975
31.	Gombe	Bani Aliyu Ltd	Shop No: 1 &2 Doho Plaza beside Tumfure Labour Quarters Gombe	08035790297

BERGER BUSINESS PARTNERS (CONT'D)

SN	Location	Name	Address	Phone
32.	Minna	Khafadez Resources Ltd.	Sm3, Ahmadu Bahago Plaza, Tunga, Minna	07031720041
33.	Nasarawa	Khafadez Resources Ltd.	Suite 31, Power Complex by police Clinic Opposite APC Secretariat, Jos Road, Lafia, Nasarawa	07031720041
34.	Nasarawa 2	Khafadez Resources Ltd.	Suite A001 Emmado Plaza, Sharp Corner, Maraba, Nasarawa State.	07031720041
35.	Onitsha	Amor Dei West Africa	104, Akwa Road, Onitsha, Anambra State	08033138220
36.	Onitsha 2	Amor Dei West Africa	KM 20 Enugu/Onitsha Express Road, Opp, Crunches Eatery, Unizik, Junction, Awka.	08033138220
37.	Onitsha 3	Amor Dei West Africa	35, Blossom Plaza, Onitsha Owerri Road Nnewi	08033138220
38.	Oshogbo	H-Pola Foundation	Beside Iyana Camp, Opposite NNPC, Ota Efun, Ikirun Road, Oshogbo-Osun State	08139690055
39.	Owerri	Lato Universal	51/65 Mbaise Road, by Wetheral/Fire Service Roundabout, Owerri	08034458797
40.	Port Harcourt	Partracker Ltd.	42 Old Aba Road by Artillery Junction, Port Harcourt	07031720047
41.	Port Harcourt 2	Tesan Optimum	70, Ordinance Road, Trans - Amadi Industrial Layout, Port Harcourt, River State	08131758060
42.	Sokoto	Acu Integral Concept Ltd	101, Gidan Dare, Sokoto	08030431035, 08102164858
43.	Suleja	Splendid TSY Nig. Ltd.	Shop 8, Kwakwansh Plaza, Mandalla Road, Suleja, Niger State	07031720046, 08080058308
44.	Uyo	Sal-Aadis Global Resources	51, Ikot Ekpene Road	08065260072
45.	Warri	Tesan Technical	111, Warri-Effurun Road, Warri, Delta State	08035030263
46.	Warri 2	Tesan Technical	Km 5, Refinery Road, Warri Delta State	08035030263

MAJOR SUPPLIERS

1. Major Local Suppliers:

- | | |
|------|--|
| 1.1. | Lewis Berger Intl. Supplies Ltd (United Kingdom) |
| 1.2 | Transmare Chemie |
| 1.3 | Oliver+Batlle |

2. Major International Suppliers:

- | | | | |
|----|--------------------------------------|----|--------------------------------------|
| 1 | Amoke Oluwo & Sons | 21 | Nampak Nig. Plc |
| 2 | Avery Nigeria Limited | 22 | Nycil Ltd. |
| 3 | Avon Crowncaps & Containers Nig. Plc | 23 | Onokeno Business Venture |
| 4 | Carose Nigeria Limited | 24 | Orkila Chemicals Limited |
| 5 | Chizzy Nig Ltd. | 25 | Phobica Chemicals Ltd. |
| 6 | Cormat Nig Ltd. | 26 | Regatta Industries Ltd. |
| 7 | Dafe Industries Ltd. | 27 | Remfemlaby Nig Enterprises |
| 8 | Didoboss International Company | 28 | Robinson Ventures Ltd. |
| 9 | Emychem Nigeria Limited | 29 | Samking Chemical Ltd. |
| 10 | Eurobridge Ind. Ltd. | 30 | Shokay Resource Ventures |
| 11 | Falcon Chemicals Ltd. | 31 | Somaluck Chemical & Products Venture |
| 12 | Festo-Chem Ventures | 32 | Sowis Energy Limited |
| 13 | Glister Success Ltd. | 33 | Sudunni Nig Ltd. |
| 14 | Jo-Noble Chem. Ltd. | 34 | The Freedom Group Ltd. |
| 15 | Lexcel Products & Packaging Ltd. | 35 | Trisa Nig. Ltd. |
| 16 | Logata Point Services Limited | 36 | Wahum Pkg Ltd. |
| 17 | Mathsix Mega Investment Ltd. | 37 | Whitex Industries (Nigeria) Limited |
| 18 | Melvyn Nickson Nigeria Limited | 38 | Yadebell Global Ventures |
| 19 | Metoxide (Nigeria) Ltd. | 39 | Zadema Ventures |
| 20 | Nagode Industries Ltd. | | |

**Affix
Current
Passport**

(To be stamped by Bankers)

Write your name at the back of
your passport photograph

**This service costs ₦150.00 per
approved Mandate per Company.**

MERISTEM
REGISTRARS AND PROBATE SERVICES LIMITED

E-DIVIDEND MANDATE ACTIVATION FORM

Instruction

Please complete all sections of this form to make it eligible for processing and return to the address below

The Registrar

Meristem Registrars And Probate Services Limited
213, Herbert Macaulay Way
Adekunle-Yaba
Lagos State

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank account detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname/Company's Name First Name Other Names

Address:

City State Country

Previous Address (If address has changed)

CHN CSCS A/c No

Name of Stockbroker

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company Seal (If applicable)

Joint/Company's Signatories

TICK	NAME OF COMPANY	SHARE A/C NO
	AFRINVEST EQUITY FUND	
	BERGER PAINTS NIG PLC	
	CEAT FIXED INCOME FUND	
	CITITRUST HOLDINGS PLC	
	CONOIL PLC	
	CONSOLIDATED HALLMARK INS. PLC	
	CUSTODIAN INVESTMENT PLC	
	COVENANT SALT NIGERIA LIMITED	
	EMPLOYEE ENERGY LIMITED	
	ENERGY COMPANY OF NIGERIA PLC [ENCON]	
	eTRANZACT INTERNATIONAL PLC	
	FBN HOLDINGS PLC	
	FIDSON HEALTHCARE PLC	
	FOOD CONCEPTS PLC	
	FREE RANGE FARMS PLC	
	FTN COCOA PROCESSORS PLC	
	GDL INCOME FUND	
	GEO-FLUIDS PLC	
	INTERNATIONAL ENERGY INSURANCE PLC	
	INTERNATIONAL TOBACCO COMPANY LIMITED	
	JUBILEE LIFE MORTGAGE BANK LTD	
	MAMA CASS RESTAURANTS LIMITED	
	MCN DIOCESE OF REMO	
	MCN LAGOS CENTRAL	
	MCN TAILORING FACTORY [NIGERIA] LIMITED	
	MULTI-TREX INTEGRATED FOODS PLC	
	NASSARAWA STATE GOVT BOND	
	NASCON ALLIED INDUSTRIES PLC	
	NEIMETH INT'L PHARMS PLC	
	NEWRESTASL NIGERIA PLC	
	NIGER INSURANCE PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY [NMRC] PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY PLC [NMRC] BOND	
	ONWARD PAPER MILLS PLC	
	PACAM BALANCED FUND	
	PAINTCOM INVESTMENT PLC	
	PROPERTYGATE DEVT. & INVEST. PLC	
	RADIX HORIZON FUND	
	R.T. BRISCOE NIGERIA PLC	
	REGENCY ALLIANCE INSURANCE PLC	
	SMART PRODUCTS NIGERIA PLC	
	SOVEREIGN TRUST INSURANCE PLC	
	TANTALIZERS PLC	
	THOMAS WYATT PLC	
	VITAFOAM NIGERIA PLC	
	ZENITH EQUITY FUND	
	ZENITH ETHICAL FUND	
	ZENITH INCOME FUND	

Help Desk Telephone No/Contact Centre Information for Issue resolution or clarification: 01-2809250-4

MERISTEM
REGISTRARS AND PROBATE SERVICES LIMITED

Meristem Registrars And Probate Services Limited

Web: www.meristemregistrars.com; email: info@meristemregistrars.com

Mail to:

MERISTEM REGISTRARS AND
PROBATE SERVICES LIMITED
213, HERBERT MACAULAY WAY,
ADEKUNLE, YABA, LAGOS STATE.
P.O. BOX 51585, FALOMO, IKOYI,
LAGOS STATE



BERGER PAINTS NIGERIA PLC {RC 1837}

PROXY FORM

For the Sixty-third (63rd) 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 Wednesday May 24, 2023 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 Wednesday May 24, 2023 and at any adjournment thereof."

Unless otherwise instructed, the Proxy will vote or abstain from voting as he/she thinks fit.

Dated thisDay of2023

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 2022 Audited Financial Statements and Accompanying Reports		
	2] To declare a Dividend of 70 kobo per share		
	3] To elect Mrs. Alaba Fagun as Director		
	4a] To re-elect Mrs. Aisha Umar as Director		
	4b] To re-elect Mrs. Erejuwa Gbadebo as Director		
	5] To authorize 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 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.		

ADMISSION FORM

For the Sixty-third (63rd) 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 Wednesday May 24, 2023 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

IGNITE POSITIVE VIBES



With Berger Colour Ideas

 08102164586    @Bergerpaintsng

 [linkedin.com/company/berger-paints-nigeria-plc](https://www.linkedin.com/company/berger-paints-nigeria-plc)

 [bergerpaintsnig.com/shop](https://www.bergerpaintsnig.com/shop)



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