



**Berger Paints Nigeria Plc**  
**Audited Consolidated and Separate Financial Statements**  
**For the year ended 31 December, 2024**  
**Together with Directors' and Auditor's Report**

# BERGER PAINTS NIGERIA PLC

## AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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# BERGER PAINTS NIGERIA PLC

## AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Corporate Information

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

**Company Secretary/Legal Adviser** Omolara Bello

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

**Contact Details** Mobile: +234 810 216 4586  
Email: [customercare@bergerpaintnig.com](mailto:customercare@bergerpaintnig.com)  
Website: [www.bergerpaintsnig.com](http://www.bergerpaintsnig.com)

**Social Media Accounts** Facebook: [www.facebook.com/BergerPaintsNigeriaPlc](http://www.facebook.com/BergerPaintsNigeriaPlc)  
LinkedIn: [www.linkedin.com/company/berger-paints-nigeria-plc](http://www.linkedin.com/company/berger-paints-nigeria-plc)  
X (formerly Twitter): <https://www.twitter.com/BergerPaintsnig>  
Instagram: <https://www.instagram.com/bergerpaintsnig>  
You Tube: [https:// www.youtube.com/@bergerpaintsnig](https://www.youtube.com/@bergerpaintsnig)

**Investors Relation** Berger Paints Nigeria Plc. has a dedicated investors' portal on its corporate website which can be accessed via this link: [www.bergerpaintsnig.com](http://www.bergerpaintsnig.com)

The Company's Investors' Relations Officer can also be reached through electronic mail at: [investors@bergerpaintnig.com](mailto:investors@bergerpaintnig.com); or telephone on: +234 9037757191 for any investment related enquiry.

### NSE Trading Information

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

**Registration Number:** RC: 1837

**TIN** 01335257-0001

**FRC Registration Number:** FRC/2012/0000000000295

# BERGER PAINTS NIGERIA PLC

## AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

**Bankers:** Access Bank Plc  
Ecobank Nigeria Limited  
Fidelity Bank Plc  
First Bank of Nigeria Limited  
First City Monument Bank Limited  
Guaranty Trust Holding Company Plc  
Sterling Bank Plc  
Keystone Bank Limited  
Polaris Bank Limited  
Union Bank of Nigeria Plc  
United Bank for Africa Plc  
Wema Bank Plc  
Zenith Bank Plc

# BERGER PAINTS NIGERIA PLC

## AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Shareholding Structure and Free Float Status

<b>Company Name:</b>	Berger Paint Nigeria PLC
<b>Board Listed:</b>	Main Board
<b>year End:</b>	31 December
<b>Reporting Period:</b>	31-Dec-24
<b>Share Price at end of reporting period:</b>	N20 (31 December 2023: N13)

Description	31 December 2024		31 December 2023	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	289,823,447	100.00	289,823,447	100.00
<b>Substantial Shareholdings (5% and above):</b>				
JUREWA INVESTMENTS LIMITED	17,670,573	6.10	16,685,111	5.76
HARMONY TRUST & INVT. CO LTD.	20,000,000	6.90	20,000,000	6.90
ALEMAJE AND COMPANY LIMITED	16,315,506	5.63	16,315,506	5.63
CAB (OVERSEAS HOLDINGS) LIMITED	16,315,506	5.63	16,315,506	5.63
MIKADE INVESTMENTS LIMITED	19,196,095	6.62	19,196,095	6.62
<b>Total Substantial Shareholdings</b>	<b>89,497,680</b>	<b>30.88</b>	<b>88,512,218</b>	<b>30.54</b>
<b>Directors Shareholdings (Direct &amp; Indirect, excluding Directors with Substantial Interests)</b>				
MR. ABI AYIDA	625,601	0.22	625,601	0.22
MR. RAJ MANGTANI	-	-	-	-
MR. ADEKUNLE OLUROTIMI OLOWOKANDE	197,965	0.07	197,965	0.07
MRS. OGECHI IHEANACHO	100,000	0.03	100,000	0.03
MRS. EREJUWA GBADEBO	-	-	-	-
MRS. AISHA UMAR	-	-	-	-
MRS. ALABA FAGUN	-	-	-	-
<b>Total Directors' Shareholdings</b>	<b>923,566</b>	<b>0.32</b>	<b>923,566</b>	<b>0.32</b>
<b>FREE FLOAT IN UNITS &amp; PERCENTAGE</b>	<b>199,402,201</b>	<b>68.80</b>	<b>200,387,663</b>	<b>69.14</b>
<b>FREE FLOAT IN VALUE (N)</b>	<b>3,988,044,020</b>		<b>2,605,039,619</b>	

**Declaration:** Berger Paints PLC with a free float value of N3,988,044,020 (68.80%) as at 31 December, 2024 (31 December 2023: N2,605,039,619(69.14%) is compliant with the Nigerian Exchange's free float requirements for companies listed on the Main Board.



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

# BERGER PAINTS NIGERIA PLC

## AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Company Financial Highlights

	Group			Company		
	2024 N'000	2023 N'000	%	2024 N'000	2023 N'000	%
Revenue	10,831,911	7,967,546	36	10,739,502	7,910,181	36
Gross profit	3,843,975	2,708,169	42	3,819,776	2,696,120	42
Operating profit	1,119,274	751,277	49	1,123,372	774,743	45
Profit before taxation	1,128,806	776,316	45	1,132,904	799,783	42
Profit for the period	610,862	445,330	37	614,960	468,797	31
Share capital	144,912	144,912	-	144,912	144,912	-
Total equity	3,828,336	3,507,934	9	3,828,336	3,531,399	8

### Data per 50k share

Basic earnings per share (kobo)	211	154	37	212	162	31
Net assets per share (Naira)	13	12	9	13	12	10
Market price per share as at period end (Naira)	20	13	54	20	13	54
Market capitalization as at period end	5,796,469	3,767,705	54	5,796,469	3,767,712	54

Dividend per 50k share in respect of current period result only

Interim Dividend declared (kobo)	20	20
Final Dividend proposed (kobo)	100	80

\* Dividend declared represent dividend proposed for the preceeding year but declared during the current year

\*\* The Directors approved an interim dividend of 20 kobo during the year (2023: 20 kobo)per share on issue share capital of 289,823,447(2023: 289,823,447) ordinary shares of 50 kobo each to be ratified by shareholders at the next Annual General Meeting. The dividend has since been paid.

\*\*\* The Directors proposed a final dividend of 100 kobo (2023: 80 kobo) per share on the issue share capital of 289,823,447 (2023: 289,823,447) ordinary shares of 50 kobo each subject to approval by the shareholders at the Annual General Meeting

# BERGER PAINTS NIGERIA PLC

## AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Directors' Report

The Directors are pleased to present to the distinguished members this Annual Report, together with the Audited Consolidated and Separate Financial Statements and the independent auditor's report for the year ended 31 December 2024. The Directors have considered all the matters brought before them in the financial year under review, and they are satisfied that the Directors' Report represents a fair, balanced and realistic view of events.

#### 1. Legal status

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

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

#### 2. Principal activities

The principal activities of the Company remained the manufacturing and marketing of paints and allied products. The Company also holds an investment property. The principal activity of the subsidiary is rendering of professional painting services with the use of modern technology. They also provide technical support, trained applicators, mechanised tools and advanced products for cleaner and better paint results in homes, offices and factories.

#### 3. Operating results

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

	Group 2024 N'000	Group 2023 N'000	Company 2024 N'000	Company 2023 N'000
Revenue	10,831,911	7,967,546	10,739,502	7,910,181
Operating profit	1,123,052	706,711	1,127,150	730,177
Profit before minimum tax	1,128,806	776,316	1,132,904	799,783
Profit before income tax	1,128,806	776,316	1,132,904	799,783
Income tax expenses	(517,944)	(330,986)	(517,944)	(330,986)
Total comprehensive income for the year	610,862	445,330	614,960	468,797

#### 4. Dividend

The directors are pleased to recommend to shareholders the payment of a final dividend of 100 kobo per share for the 2024 financial year (2023: 80kobo per share) which amounts to ₦289,823,447 (2023: ₦231,858,757.60), subject to the approval of the members at the Annual General Meeting. If approved, the dividend is payable less withholding tax to all members whose names appear in the Company's Register of members as at the close of business on April 24, 2025. The directors seek ratification by the members for the interim dividend of 20 kobo per share (2023: 20 kobo per share) in the amount of ₦57,964,689.40, approved by the Board and paid during the year.

#### 5. Corporate Governance

##### Whistleblowing

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

# BERGER PAINTS NIGERIA PLC

## AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Directors' Report

#### 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 members and contractors. The Company, being a listed Company, strives to comply with all laws and regulations, including post-listing requirements of the Nigerian Stock Exchange and the Rules and Regulations of the Securities and Exchange Commission, as well as the Code of Corporate Governance. To this end, returns were made periodically to the relevant regulatory authorities as and when due.

#### Role In The Larger Society

Berger Paints Nigeria Plc. remains undisputedly, a leading paints manufacturer in this country, and as an integral part of the Nigerian society, the Company plays numerous roles. Apart from being a major employer of labour, Berger Paints is a supplier, a partner as well as a willing and uncompromising taxpayer. In doing all these, the Company impacts on the society in no small way. The Company's relationship with the shareholders and stakeholders is cordial and objective.

#### Integrity

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

### 6. Board of directors

#### (i) Composition of the Board and Attendance at Meetings

During the year under review, the Company was managed by a Board of seven (7) Directors consisting of two (2) Independent Non-Executive Directors, four (4) Non- Executive Directors (which included the Chairman) and one (1) Executive Director (i.e. the Managing Director). The Board met five (5) times in 2024. In compliance with Section 284(2) of the Companies and Allied Matters Act, 2020, the Record of Directors' attendance at Board meetings is exhibited for inspection at the meeting. It is summarised hereunder:

S/N	Name	25-Jan-24	26-Mar-24	23-Jul-24	22-Oct-24	26-Nov-24	No. (5)
1	Mr. Abi Ayida	P	P	P	P	P	5
2	Mr. Adekunle Olowokande	P	P	P	P	P	5
3	Dr. Ogechi Iheanacho	P	P	P	P	P	5
4	Mr. Raj Mangtani	P	P	P	P	P	5
5	Mrs. Erejuwa Gbadebo	P	P	P	P	P	5
6	Mrs. Aisha Umar	P	P	P	P	P	5
7	Mrs. Alaba Fagun	P	P	P	P	P	5

P - Present A - Apology

#### (ii) Board Changes

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

During the year under review, Mr. Abi Ayida and Mr. Adekunle Olowokande retired by rotation and were re-elected by the Shareholders at the 2024 Annual General Meeting.

Additionally, Mrs. Alaba Fagun was appointed as the Group Managing Director of the Company (wef 01 May, 2024).



## BERGER PAINTS NIGERIA PLC

### AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### Directors' Report

##### (iii) Board Training

Directors have the opportunity to attend programs, relating to governance and business practices, as part of their continuing education. For the 2024 financial year, the directors attended the following trainings:

- Sustainability Professionals Institute of Nigeria (SPIN) facilitated training on 'Understanding the New ISSB (IFRS S1 & S2) Sustainability Disclosure Standards
- National Corporate Governance Summit facilitated by the Institute of Directors (IOD) and Financial Reporting Council of Nigeria (FRCN).

##### (iv) Directors retiring by rotation

The Directors retiring by rotation in accordance with the Companies and Allied Matters Act 2020 are Mr. Raj Mangtani and Dr. Ogechi Iheanacho who, being eligible, offer themselves for re-election.

##### (v) Directors' interest in shares as at 31 December 2024

The interests of each Director in the shares of the Company, as at 31 December 2024, 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, 24	Direct 31 Dec, 23	Indirect 31 Dec, 24		Indirect 31 Dec, 23		Interest in Contracts
Mr. Abi Ayida	625,601	625,601	Jurewa Investment	17,670,573	Jurewa Investment	16,685,111	None
			Alemaje and Company Limited	16,315,506	Alemaje and Company Limited	16,315,506	
Mr. Adekunle Olowokande	197,965	197,965	Nil		Nil		None
Dr. Ogechi Iheanacho	100,000	Nil	Nil		Nil		None
Mr. Raj Mangtani	Nil	Nil	Nil		Nil		None
Mrs. Erejuwa Gbadebo	Nil	Nil	Nil		Nil		None
Mrs. Aisha Umar	Nil	Nil	Nil		Nil		None
Mrs. Alaba Fagun	Nil	Nil	Nil		Nil		None

##### (vi) Directors' Responsibilities

Berger Paints is committed to the highest ethical standards and best practices. The Board actively monitors the operations of the Company and is 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:

# BERGER PAINTS NIGERIA PLC

## AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Directors' Report

- 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 31 December 2024. The Board worked through these Committees, all of which were guided by Charters containing their terms of reference. The terms of reference of the Committees are summarized below, in addition to the record of directors' attendance

#### Board Committees – Terms of Reference/Attendance at Meetings

**Finance & General Purposes Committee:** The responsibilities of the committee are to:

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

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

S/N	Name	16-Jan-24	14-Mar-24	23-Apr-24	12-Jul-24	11-Oct-24	19-Nov-24	No. (6)
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	A	P	5
4	Mrs. Alaba Fagun	P	P	P	P	P	P	6

P - Present A - Apology

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

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

# BERGER PAINTS NIGERIA PLC

## AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Directors' Report

- 4 Consider and make recommendations to the Board for approval on the Company's policy on Health and Safety at work and any proposed amendments;
- 5 Consider and make recommendations to the Board for approval on the Company's human resource strategies and compensation Policy.
- 6 Make recommendations to the Board regarding the remuneration, of the Board and its committees.
- 7 Assess the effectiveness of the corporate governance framework.
- 8 Consider and make recommendations to the Board on composition and the experience required by Board committee members, committee appointments and removal, operating structure, reporting and other Committee operational matters.
9. Consider and make recommendations to the Board on appointment and re-election of directors (including the CEO).
- 10 Ensure that all new directors receive a formal letter of appointment specifying their tenure, responsibilities, board committee involvement and other relevant details.
  
- 11 Ensure the Board composition includes at least one-third of the total number of it's Non executive directors as 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 the development and implementation of an annual training plan for continuous education of all Board members which will provide for periodic briefings on relevant laws and regulations to Board members.
- 15 Review and make recommendations to the Board for approval of the terms and conditions of employment of Company's staff, its staff handbook and any proposed amendment.
  
- 16 Ensure the performance evaluation of the CEO is performed by the Board on an annual basis and formal feedback provided to the CEO.
- 17 Nominate independent consultants to conduct annual review/appraisal of the performance of the Board and make recommendations to the Board in this regard. This review/appraisal should cover all aspects of the Board's structure, composition, responsibilities, individual competencies, board operations, board's role in strategy setting, oversight over corporate culture, monitoring role and evaluation of management performance and stewardship to shareholders.

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

S/N	Name	11-Jan-24	12-Apr-24	10-Jul-24	09-Oct-24	No. (4)
1	Mrs. Erejuwa Gbadebo (Chair)	P	P	P	P	4
2	Dr. Ogechi Iheanacho	P	P	P	P	4
3	Mrs. Aisha Umar	P	P	P	A	3
4	Mr. Raj Mangtani	A	P	P	P	3

P - Present

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

- 1 Review the audited and unaudited accounts of the Company. It is also responsible for overseeing the Company's long-term strategy and 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

## BERGER PAINTS NIGERIA PLC

### AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### Directors' Report

- 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.
- 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	17-Jan-24	22-Mar-24	16-Jul-24	17-Oct-23	No. (4)
1	Dr. Ogechi Iheanacho	P	P	P	P	4
2	Mr. Adekunle Olowokande	P	P	P	P	4
3	Mrs. Erejuwa Gbadebo	P	P	P	P	4

P - Present

#### 8. Statutory Audit committee

Within the year under review, the Audit Committee comprised of two non-executive directors and three (3) shareholders' representatives. The Committee, in the conduct of its affairs as stipulated in Section 404 of the Companies and Allied Matters Act (CAMA), 2020, reviewed the overall risk management and control systems, as well as financial reporting procedures and standards of business conduct of the Company. In the performance of their duties, the members had direct access to both the Internal Auditors and the External Auditors. The Committee met five (5) times in 2024 as detailed below.

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

S/N	Name	19-Mar-24	26-Mar-24	19-Jul-24	18-Oct-24	06-Dec-24	No. (5)
1	Mr. Chibuzor Eke (Chairman)	P	P	P	P	P	5
2	Mrs. Mary Shofolahan	P	P	P	P	P	5
3	Mr. Taiwo Afinju	P	P	P	P	P	5
4	Dr. Ogechi Iheanacho	P	P	P	P	P	5
5	Mr. Adekunle Olowokande	P	P	P	P	P	5

P - Present A - Apology

## BERGER PAINTS NIGERIA PLC

### AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### Directors' Report

##### 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 (2023: Nil). Donations made during the year amounted to ₦1,138,740 (2023: ₦1,046,858.39) as shown below:

Beneficiary	Purpose	Amount
Area F Police Station	Exterior Painting of Area F Police Station	595,429
Agege Market women Association	Health care intervention	368,000
Adeola Azeez Foundation	Painting of Ogbo community Sec. Sch	175,312
<b>Total</b>		<b>1,138,740</b>

##### 10. Quality policy and innovation

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

##### 11. Risk management policy

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

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

##### 12. Safety and environment policy

###### Health & Safety

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

# BERGER PAINTS NIGERIA PLC

## AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Directors' Report

#### Sustainability

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

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

#### Wellbeing, diversity and other human resource policies

The Company's policy on managing diversity recognises that there are differences among employees and that harnessing these differences create a productive environment in which everyone feels valued, their talents utilised and organisational 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 (2023: Nil). In the year under review, the Company has also taken steps to comply with the Discrimination Against Persons with Disabilities (Prohibition) Act of 2018 by implementing inclusive measures such as designated parking spots, mobile stair ramps, designated toilet spaces, and ease of door control systems, among others. Moving forward, we are committed to further enhancing our compliance with the Disabilities Act to create a more inclusive workplace environment.

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

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

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

### 13. Berger Business Partners

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

#### Suppliers

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

- 1 ACP Chemicals
- 2 Tawazon Chemical
- 3 Transmare Chemie

# BERGER PAINTS NIGERIA PLC

## AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Directors' Report

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

1	Asharami Synergy Plc	18	GMAS Chemicals Nigeria Ltd.
2	Atbaron Nigeria Enterprises	19	Kempharm Ltd
3	Avon Crowncaps And Containers Nig. Plc	20	Lexcel Products and Packaging Ltd
4	Brenntag Chemicals Nigeria Ltd	21	Melvyn Nickson Nigeria Limited
5	Chanco Impex Ltd	22	Metcem Limited
6	Chizzy Nigeria Ltd	23	Metoxide (Nigeria) Ltd
7	Cormat Nigeria Ltd.	24	Nagode Industries Ltd
8	C-Pin Industries Ltd	25	Nycil Ltd
9	Danel Nigeria Ltd.	26	Parco Enterprises Nigeria Limited
10	Dlad Holdings Ltd	27	Rama Industries Ltd
11	Don Colors Chemicals	28	Robinson Ventures Ltd.
12	Edic Chemicals	29	Samking Chemicals
13	Eurochemco Chemicals	30	SCN Colours
14	Falcon Chemicals Ltd	31	Sunbeth Oil
15	Geeta Plastic Products Nigeria Ltd	32	Trisa Nig. Ltd
16	Glister Success Ltd	33.	Wahum Pkg Ltd
17	Global-Chem	34	WTEX Industries (Nigeria) Ltd

### 14. Independent auditor

The firm of PKF Professional Services was appointed as auditors on 22 November 2023 and has indicated their willingness to continue their tenure in office as independent auditors to the Company. In accordance with section 401(2) of the Companies and Allied Matters Act (CAMA), 2020 therefore, the auditors will be reappointed 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](http://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 2024.

### BY ORDER OF THE BOARD



#### Omolara Bello

Company Secretary/ Legal Adviser

Date: 28 March, 2025

FRC/2019/NBA/00000019782

# BERGER PAINTS NIGERIA PLC

## AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Report of the Audit Committee

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

1. The scope and planning of both the external and internal audit programs for the year ended 31 December, 2024 were adequate in our opinion.
2. The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.
3. The systems of internal control were constantly and effectively monitored.
4. Having reviewed the External Auditors' findings and recommendations on Management matters, we are satisfied with Managements' response thereon.

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

The members of the Audit Committee for the 2024 financial year were:

### SN Members of the Committee

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

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

Dated March 25, 2025



Mr. Chibuzor Eke

**Chairman, Audit Committee**

FRC/2013/PRO/AUDITCOM/002/00000004670



# **BERGER PAINTS NIGERIA PLC**

## **AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

### **Statement of Directors' Responsibilities for the Preparation and Approval of the Consolidated and Separate Financial Statements**

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

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

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

### **SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:**



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**Abi Ayida**  
Chairman  
FRC/2019/IODN/00000019260  
Date: March 28, 2025



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**Adekunle Olowokande**  
Director  
FRC/2019/IODN/00000019259  
Date: March 28, 2025

# BERGER PAINTS NIGERIA PLC

## AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Statement of Corporate Responsibility for the Consolidated and Separate Financial Statements

Further to the provisions of section 405 of the CAMA 2020, we, the Managing Director and Chief Financial Officer, hereby certify the consolidated and separate financial statements of Berger Paints Nigeria Plc for the year ended 31 December 2024 as follows:

- a) That we have reviewed the audited consolidated and separate financial statements of Berger Paints Nigeria Plc (the "Company") and its subsidiary (together, "the Group") for the year ended 31 December 2024.
- b) That the audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statement misleading, in light of the circumstances under which such statement was made.
- c) That the audited consolidated and separate financial statements and all other audited financial information included in the statements present fairly, in all material respects, the financial conditions and results of operation of the Group and Company as of and for, the year ended 31 December 2024.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiary is made known to us by other officers of the Company during the year ended 31 December, 2024.
- e) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation. including any corrective action with regard to significant deficiencies and material weaknesses.
- f) That we have disclosed the following information to the Company's Auditors and Audit Committee:
  - i) All significant deficiencies in the design or operation of the internal control system which are reasonably likely to adversely affect the Group and Company's ability to record, process, summarize and report financial data.
  - ii) There is no fraud that involves management or other employees who have significant role in the Group's internal control.



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**Alaba Fagun**  
Group Managing Director  
FRC/2023/PRO/DIR/003/234540

**Dated: March 28, 2025**



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**Nkechi Ojeyokan**  
Chief Financial Officer  
FRC/2021/001/00000022533

**Dated: March 28, 2025**

# **BERGER PAINTS NIGERIA PLC**

## **AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

### **Management's Report on the Effectiveness of Internal Control over Financial Reporting**

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

The management of Berger Paints Nigeria Plc assessed the effectiveness of the internal control over financial reporting of the Company and its subsidiary (together "the Group") as of 31 December 2024 using the criteria set forth by Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the SEC Guidance on Implementation of Section 60 to 63 of Investments and Securities Act 2007.

As of 31 December, 2024, the management of Berger Paints Nigeria Plc did not identify any material weakness in its assessment of the internal control over financial reporting. As a result, management has concluded that as of 31 December 2024, the Group's internal control over financial reporting was effective.

Berger Paints Nigeria Plc independent auditor, PKF Professional Services who audited the consolidated and separate financial statements included in the Annual Report, issued an unmodified conclusion on the effectiveness of the Group's internal control over financial reporting as of 31 December, 2024 based on the limited assurance engagement performed by them. PKF Professional Services' limited assurance report appears on pages **19-20 of the Annual Report**.

### **Changes in Internal Control Over Financial Reporting**

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



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**Alaba Fagun**  
Group Managing Director  
FRC/2023/PRO/DIR/003/234540

**Dated: March 28, 2025**



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**Nkechi Ojeyokan**  
Chief Financial Officer  
FRC/2021/001/00000022533

**Dated: March 28, 2025**

# BERGER PAINTS NIGERIA PLC

## AUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Certification of Management's Assessment of Internal Control over Financial Reporting

We, Alaba Fagun and Nkechi Ojeyokan certify that:

- a) We have reviewed the 2024 Annual Financial Statements of Berger Paints Nigeria Plc ('the Company') and its subsidiary (together "the Group")
- b) Based on our knowledge, the 2024 Annual Financial Statements of Berger Paints Nigeria Plc does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Group and the Company as of 31 December 2024, presented in this report;
- d) Berger Paints Nigeria Plc certifying officers:
  - i) are responsible for establishing and maintaining internal controls;
  - ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to Berger Paints Nigeria Plc, and its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - iv) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the date of the financial statements and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of 31 December, 2024 covered by this report based on such evaluation.
- e) Berger Paints Nigeria Plc certifying officers have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors (PKF Professional Services) and the audit committee that;
  - i) All significant deficiencies in the design or operation of the internal control system which are reasonably likely to adversely affect Berger Paints Nigeria Plc's ability to record, process, summarize and report financial information; and
  - ii) There was no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) Berger Paints Nigeria Plc certifying officers have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to deficiencies noted.



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**Alaba Fagun**  
Group Managing Director  
FRC/2023/PRO/DIR/003/234540

**Dated: March 28,2025**



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**Nkechi Ojeyokan**  
Chief Financial Officer  
FRC/2021/001/00000022533

**Dated: March 28,2025**

**Independent Auditor's Attestation Report on  
Management's Assessment of Internal Controls over Financial Reporting  
To the Shareholders of Berger Paints Nigeria Plc**

**Attestation**

We have performed a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of **Berger Paints Nigeria Plc ("the Company")** as of 31 December 2024, in compliance with the SEC Guidance on Implementation of Section 60-63 of the Investments and Securities Act 2007 issued by the Securities and Exchange Commission and in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's internal control over financial reporting as of 31 December 2024 is not effective, in compliance with the SEC Guidance on Implementation of Section 60-63 of the Investments and Securities Act 2007 issued by the Securities and Exchange Commission and the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

**Basis for Attestation**

We conducted a limited review assurance engagement on management's assessment of the effectiveness of internal control over financial reporting of Berger Paints Nigeria Plc ("the Company") as of 31 December 2024, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.

Our responsibilities under those sections and the guidance are further described in the Auditor's Responsibilities for the Audit of the internal control procedures over financial reporting section of our report.

We are independent of the Company in accordance with the requirements of the 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 internal control procedures over financial reporting in Nigeria.

We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of Internal control procedures over financial reporting in Nigeria.

**Responsibilities of the Directors and Those Charged with Governance for maintaining effective internal control over financial reporting**

The directors are responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, in accordance with requirement of Section 405 of the Companies and Allied Matters Act, 2020, in connection with Section 1.3 of SEC Guidance on implementation of Sections 60-63 of the investments and securities Act No. 29, 2007 and in compliance with the FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria.



#### **Auditor's Responsibilities for the Audit of the internal control procedures over financial reporting**

Our responsibility is to express an opinion on the management's assessment of the effectiveness of the Company's internal control over financial reporting based on our limited review.

We conducted our limited review assurance engagement in accordance with "the Guidance", which requires that we planned and performed the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included:

- \* obtaining an understanding of internal control over financial reporting,
- \* assessed the risks that a material weakness may exist, and
- \* evaluated the result of the test of design and operating effectiveness of internal control based on the assessed risks.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

#### **Definition of Internal Control over Financial Reporting**

The Company's internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles and includes those policies and procedures that:

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

#### **Limitations of Internal Control over Financial Reporting**

Because of such limitations, Internal Control over Financial Reporting cannot prevent or detect all misstatements, whether unintentional errors or fraud. However, these inherent limitations are known features of the financial reporting process, therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. The major limitations are:

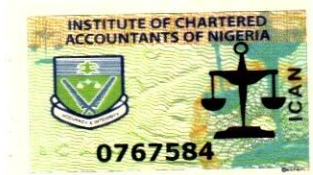
- a) Internal Control over Financial Reporting cannot provide absolute assurance due to its inherent limitations;
- b) It is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures.
- c) It can be circumvented by collusion or improper management override.

#### **Other Information**

We have also audited, in accordance with the requirements of International Standards on Auditing, the consolidated and separate financial statements of the Berger Paints Nigeria Plc and our report dated 28 March 2025 expressed an unqualified opinion.

  
**Benson O. Adejayan, FCA**  
**FRC/2013/PRO/ICAN/004/00000002226**  
For: **PKF Professional Services**  
**FRC/2023/COY/141906**  
**Chartered Accountants**  
Lagos, Nigeria

**Dated: 28 March 2025**



**Independent Auditor's Report****To the Shareholders of Berger Paints Nigeria Plc****Opinion**

We have audited the financial statements of Berger Paints Nigeria Plc, which comprise the consolidated statement of financial position at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the requirements of the Financial Reporting Council of Nigeria Act, 2023 (as amended) and the Companies and Allied Matters Act, 2020.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (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	How the matter was addressed in the audit
<p><b>a) Accuracy of recognition and measurement of revenue</b></p> <p>Revenue is a key performance indicator on which the company and its directors are assessed.</p> <p>The application of IFRS 15, involves certain key judgement relating to identification of distinct performance obligations, the appropriateness of basis used to measure revenue recognised, determination of transaction price of the identified performance obligations and recognition of revenue when performance obligation is met.</p> <p>Given the nature of entity's business with their customers, there could be issues around cut off and revenue recognition based on satisfaction of performance obligation.</p> <p>This made revenue a key audit matter.</p>	<p>The following audit procedures were performed among others:</p> <p>Reviewed the accounting policy for consistency and management's procedures in the recognition and recording of revenue.</p> <p>Evaluated the design and implementation and the operating effectiveness of internal controls over the approval of products sold.</p> <p>We assessed the accuracy on a sample basis discount and rebates by checking them to supporting document and ensure it is accordance with the company's policy.</p> <p>For sale of goods, we compared on a sample basis, postings into revenue ledger which is evidenced by delivery notes and copy of invoice and also traced goods delivered to the outgoing security register.</p> <p>Tested whether revenue transactions occurring both prior and post year end date were recognized in the correct period.</p> <p>We assessed the adequacy of revenue disclosure by ensuring the information is in line with the required standard.</p> <p>Reviewed the controls around information technology systems and performed data integrity check on revenue.</p>
<p><b>b) Impairment of trade and other receivables</b></p> <p>The Company is exposed to credit arising from the company trade receivables.</p> <p>The determination of the impairment charge for trade receivables requires the assessment of Expected Credit Loss Model (ECL) using the simplified approach on recoverable amounts in line with IFRS 9.</p> <p>The ECL model involves the application of considerable level of judgement and estimation in determining inputs which are derived from historical records obtained within and outside the company in formulating the financial model. The models also requires assumptions in the estimation of forward looking macro-economic variables in computing the probability of default. (PD).</p> <p>The appropriateness of impairment calculation for long overdue debts which require significant management's judgement, makes it a key audit matter.</p>	<p>Focused our testing of impairment on the assumption made by management and in line with IFRS 9, Expected Credit Loss Model (ECL).</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>- Assessed and tested the design and operating effectiveness of the controls over impairment calculations.</li> <li>- Reviewed the age analysis of debtors and internal controls over recoverability of receivables</li> <li>- Reviewed impairment model adopted by management and evaluated whether the model used to calculate the recoverable amount complies with the requirements of IFRS 9 and is in agreement with our understanding of the business and the industry in which Neimeth operates.</li> <li>- We challenged management's assessment on the recoverability of overdue receivables, collection pattern, considering historical patterns of debt and repayment as well as recent communications with their counterparties.</li> <li>- Evaluated the accounting principles underlying revenue recognition, which form the basis for the recognition of trade receivables.</li> </ul>



**Other Information**

The directors are responsible for the other information. The other information comprises the Directors' Report and Statement of Directors Responsibility but does not include the consolidated and separate financial statements and our auditor's report thereon.

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

If, based on the work we have performed, 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.

**Other matters**

We draw attention to the matter stated below:

The consolidated and separate financial statements of Berger Paints Nigeria Plc for the year ended 31 December 2023, was audited by a different auditor who expressed an unmodified opinion on those statements on 31 March, 2024.

**Responsibilities of the Directors and those charged with Governance for the consolidated and Separate Financial Statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Financial Reporting Council of Nigeria Act, 2023 (as amended) and the Companies and Allied Matters Act, 2020 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group'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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated and separate financial statements.

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

- Identified and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Concluded on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **Report on other Legal and Regulatory Requirements**

In accordance with the requirement of the fifth schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- 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) The Company and its subsidiary have kept proper books of account, so far as appears from our examination of those books;
- iii) The Group's consolidated statement of financial position and consolidated statement of profit or loss and other comprehensive income are in agreement with the books of account.

#### **Limitation of Internal Control Over Financial Reporting**

Because of such limitation, Internal Control over Financial Reporting cannot prevent or detect all misstatements, whether unintentional errors or fraud. However these inherent limitations are known features of the financial reporting process, therefore it is possible to design into the process safeguards to reduce, though not eliminate, this risk. The major limitations are:

- a). Internal Control over Financial Reporting cannot provide absolute assurance due to its inherent limitation.
- b). It is a process that involves human diligence and compliances and it is subject to lapses in judgment and breakdowns resulting from human failures
- c). It can be circumvented by collusion or improper management override.

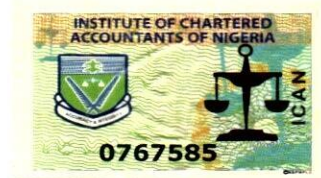
#### **Other information**

We have also audited in accordance with the requirements of International Standards on Auditing, the Financial Statements of **Berger Paints Nigeria Plc** ("The Company") and our report dated 28 March 2025 expressed an unqualified opinion



**Benson D. Adejayan, FCA**  
**FRC/2013/PRO/ICAN/004/00000002226**  
**For: PKF Professional Services**  
**FRC/2023/COY/141906**  
**Chartered Accountants**  
Lagos, Nigeria

**Dated: 28 March 2025**



# BERGER PAINTS NIGERIA PLC

## CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Notes	GROUP		COMPANY	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Assets</b>					
Property, plant and equipment	13.1	2,594,128	2,514,306	2,582,658	2,500,019
Right of Use asset	13.3	18,402	18,347	18,402	18,347
Intangible assets	14	40,715	17,602	40,715	17,602
Investment property	15	321,210	341,514	321,211	341,514
Investment in Subsidiary	28	-	-	20,000	20,000
		<u>2,974,455</u>	<u>2,891,769</u>	<u>2,982,986</u>	<u>2,897,482</u>
Inventories	16	3,302,139	2,148,260	3,302,139	2,148,260
Trade and other receivables	17.1	360,672	297,129	391,095	310,035
Deposit for imports	18	-	46,601	-	46,601
Prepayments and advances	19	199,897	153,433	199,897	153,433
Other financial assets	21	446,983	257,122	446,983	257,122
Cash and cash equivalents	20	237,189	802,287	211,680	798,037
		<u>4,546,881</u>	<u>3,704,832</u>	<u>4,551,794</u>	<u>3,713,488</u>
<b>Total assets</b>		<u>7,521,336</u>	<u>6,596,601</u>	<u>7,534,781</u>	<u>6,610,970</u>
<b>Equity</b>					
Share capital	22.1	144,912	144,912	144,912	144,912
Share premium	22.2	635,074	635,074	635,074	635,074
Retained earnings	22.3	3,048,350	2,727,948	3,075,915	2,751,415
<b>Total equity</b>		<u>3,828,336</u>	<u>3,507,934</u>	<u>3,855,900</u>	<u>3,531,401</u>
<b>Non-current liabilities</b>					
Loans and borrowings	25.1	219,989	322,815	219,989	322,815
Deferred income	245.1	83,772	166,138	83,772	166,138
Deferred taxation	11	539,925	533,748	539,925	533,748
		<u>843,687</u>	<u>1,022,701</u>	<u>843,687</u>	<u>1,022,701</u>
<b>Current liabilities</b>					
Loans and borrowings	25.2	117,971	22,403	117,971	22,403
Current tax liabilities	11.2	485,792	184,330	485,792	184,330
Trade and other payables	23	1,851,509	1,418,884	1,837,389	1,409,786
Deferred income	24.2	31,285	58,068	31,285	58,068
Dividend payable	26	362,757	382,281	362,757	382,281
		<u>2,849,313</u>	<u>2,065,966</u>	<u>2,835,193</u>	<u>2,056,868</u>
<b>Total liabilities</b>		<u>3,693,000</u>	<u>3,088,667</u>	<u>3,678,880</u>	<u>3,079,569</u>
<b>Total equity and liabilities</b>		<u>7,521,336</u>	<u>6,596,601</u>	<u>7,534,781</u>	<u>6,610,970</u>

These financial statements were approved by the Board of Directors on **28 March, 2025** and signed on its behalf by:



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



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

Additionally certified by:



Nkechi Ojeyokan (FRC/2021/001/00000022533)  
Chief Finance Officer

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

# BERGER PAINTS NIGERIA PLC

## CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	GROUP		COMPANY	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
Revenue	5	10,831,911	7,967,546	10,739,502	7,910,181
Cost of sales	9.2	<u>(6,987,936)</u>	<u>(5,259,377)</u>	<u>(6,919,726)</u>	<u>(5,214,061)</u>
<b>Gross profit</b>		<b>3,843,975</b>	2,708,169	<b>3,819,776</b>	2,696,120
Other income	6	127,167	83,985	126,807	83,985
Selling and distribution expenses	9.2	(689,600)	(526,991)	(688,921)	(525,909)
Administrative expenses	9.2	<u>(2,158,490)</u>	<u>(1,558,452)</u>	<u>(2,130,512)</u>	<u>(1,524,018)</u>
<b>Operating profit before impairment charges</b>		<u>1,123,052</u>	706,711	<u>1,127,150</u>	730,177
Impairment loss on trade receivables	8	(3,778)	44,566	(3,778)	44,566
<b>Operating profit</b>		<u>1,119,274</u>	751,277	<u>1,123,372</u>	774,743
Finance income	7.1	41,611	53,458	41,611	53,458
Finance costs	7.1	<u>(32,079)</u>	<u>(28,419)</u>	<u>(32,079)</u>	<u>(28,419)</u>
<b>Net finance income</b>		<u>9,532</u>	25,039	<u>9,532</u>	25,039
<b>Profit before minimum tax</b>		<u>1,128,806</u>	776,316	<u>1,132,904</u>	799,783
Minimum tax expense		-	-	-	-
<b>Profit before income tax</b>		<u>1,128,806</u>	776,316	<u>1,132,904</u>	799,783
Income tax expense	11.1	<u>(517,944)</u>	<u>(330,986)</u>	<u>(517,944)</u>	<u>(330,986)</u>
<b>Profit for the year</b>		<u>610,862</u>	445,330	<u>614,960</u>	468,797
<b>Other comprehensive income</b>					
<b>Total comprehensive income for the year</b>		<u>610,862</u>	445,330	<u>614,960</u>	468,797
<b>Earnings per share:</b>					
Basic and diluted earnings per share (kobo)		<u>211</u>	<u>154</u>	<u>212</u>	<u>162</u>

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

# BERGER PAINTS NIGERIA PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Share capital N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
<b>Group</b>					
Balance at 1 January 2024		144,912	635,074	2,727,948	3,507,934
<b>Comprehensive income for the period</b>					
Profit for the year		-	-	610,862	610,862
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		<u>-</u>	<u>-</u>	<u>610,862</u>	<u>610,862</u>
<b>Transactions with owners, recorded directly in equity</b>					
Dividend		-	-	(290,460)	(290,460)
Total transactions with owners		-	-	(290,460)	(290,460)
<b>Balance at 31 December, 2024</b>		<u><b>144,912</b></u>	<u><b>635,074</b></u>	<u><b>3,048,350</b></u>	<u><b>3,828,336</b></u>
<b>Group</b>					
Balance at 1 January 2023		144,912	635,074	2,543,459	3,323,445
<b>Comprehensive income for the period</b>					
Profit for the year		-	-	445,330	445,330
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		<u>-</u>	<u>-</u>	<u>445,330</u>	<u>445,330</u>
<b>Transactions with owners, recorded directly in equity</b>					
Dividend		-	-	(260,841)	(260,841)
Total transactions with owners		-	-	(260,841)	(260,841)
<b>Balance at 31 December, 2023</b>		<u><b>144,912</b></u>	<u><b>635,074</b></u>	<u><b>2,727,948</b></u>	<u><b>3,507,934</b></u>
<b>Company</b>					
Balance at 1 January 2024		144,912	635,074	2,751,415	3,531,401
<b>Comprehensive income for the period</b>					
Profit for the year		-	-	614,960	614,960
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		<u>-</u>	<u>-</u>	<u>614,960</u>	<u>614,960</u>
<b>Transactions with owners, recorded directly in equity</b>					
Dividend		-	-	(290,460)	(290,460)
Total transactions with owners		-	-	(290,460)	(290,460)
<b>Balance at 31 December, 2024</b>		<u><b>144,912</b></u>	<u><b>635,074</b></u>	<u><b>3,075,915</b></u>	<u><b>3,855,901</b></u>
<b>Balance at 1 January 2023</b>		<b>144,912</b>	<b>635,074</b>	<b>2,543,459</b>	<b>3,323,445</b>
<b>Comprehensive income for the period</b>					
Profit for the year		-	-	468,797	468,797
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		<u>-</u>	<u>-</u>	<u>468,797</u>	<u>468,797</u>
<b>Transactions with owners, recorded directly in equity</b>					
Dividend		-	-	(260,841)	(260,841)
Total transactions with owners		-	-	(260,841)	(260,841)
<b>Balance at 31 December 2023</b>		<u><b>144,912</b></u>	<u><b>635,074</b></u>	<u><b>2,751,416</b></u>	<u><b>3,531,401</b></u>

# BERGER PAINTS NIGERIA PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Cash flows from operating activities</b>					
Profit for the period		<b>610,862</b>	445,330	<b>614,960</b>	468,797
<b>Adjustments for:</b>					
- Depreciation	13.1	<b>230,469</b>	226,046	<b>227,688</b>	224,352
- Depreciation of investment property	15	<b>20,304</b>	-	<b>20,303</b>	11,262
- Amortisation	14.2	<b>10,877</b>	10,877	<b>10,749</b>	10,877
- Finance income	7.1	<b>(41,611)</b>	(53,458)	<b>(41,611)</b>	(53,458)
- Impairment loss on trade receivables	8	<b>3,778</b>	44,566	<b>3,778</b>	44,566
- Finance cost	7.1	<b>32,079</b>	28,419	<b>32,079</b>	28,419
- Gain on sale of property, plant and equipment	6	<b>(6,371)</b>	(18,514)	<b>(6,011)</b>	(18,514)
- Taxation	11.1	<b>517,944</b>	330,986	<b>517,944</b>	330,986
		<b>1,378,332</b>	1,014,252	<b>1,379,880</b>	1,047,287
<i>Changes in:</i>					
Increase in inventory	16	<b>(1,153,955)</b>	(781,473)	<b>(1,153,864)</b>	(781,474)
Decrease/(increase) in trade and other receivables	17.1	<b>(67,322)</b>	(98,344)	<b>(84,838)</b>	(111,250)
Decrease in deposit for imports	18	<b>46,601</b>	41,324	<b>46,601</b>	41,324
Increase in prepayments and advances	19	<b>(46,464)</b>	(88,410)	<b>(46,464)</b>	(88,410)
Increase/(decrease) in trade and other payables	23	<b>432,625</b>	(189,870)	<b>427,603</b>	191,827
Increase in dividend payable	26	<b>(19,524)</b>	382,281	<b>(19,524)</b>	(8,515)
Decrease in deferred income	24.2	<b>(109,149)</b>	132,165	<b>(109,149)</b>	132,165
<b>Cash generated from operating activities</b>		<b>461,143</b>	411,925	<b>440,244</b>	422,954
WHT credit notes utilised	11.2	<b>-129,911</b>	-	<b>(129,911)</b>	-
Tax paid	11.2	<b>(80,394)</b>	(14,759)	<b>(80,394)</b>	(14,759)
<b>Net cash generated from operating activities</b>		<b>250,838</b>	397,166	<b>229,939</b>	408,196
<b>Cash flows from investing activities</b>					
Purchase of property plant and equipment	13.1	<b>(310,342)</b>	(288,808)	<b>(310,342)</b>	(284,088)
Additions to motor vehicles under lease	13.3	<b>(55)</b>	-	<b>(55)</b>	-
Acquisition of Intangible assets	14	<b>(33,862)</b>	(652)	<b>(33,862)</b>	(652)
Proceeds from sale of property, plant and equipment		<b>6,371</b>	20,348	<b>6,011</b>	20,348
Acquisition of other financial assets	21	<b>(189,861)</b>	30	<b>(189,861)</b>	30
Proceed from liquidation of investment		-	143,171	-	143,171
Deferred tax assets		-	-	-	-
Finance income	7	<b>41,611</b>	-	<b>41,611</b>	-
Investment in Subsidiary	28	-	-	-	(20,000)
<b>Net cash used in investing activities</b>		<b>(486,138)</b>	(125,911)	<b>(486,498)</b>	(141,191)
<b>Cash flows from financing activities</b>					
Additions to loans and borrowings	25.2	-	345,604	-	345,604
Repayment of borrowings	25.2	<b>(7,258)</b>	(25,131)	<b>(7,258)</b>	(25,131)
Interest paid	7.1	<b>(32,079)</b>	(15,923)	<b>(32,079)</b>	(15,923)
Dividend paid	23.3	<b>(290,460)</b>	(269,356)	<b>(290,460)</b>	(269,356)
<b>Net cash used in financing activities</b>		<b>(329,797)</b>	35,194	<b>(329,797)</b>	35,195
<b>Net decrease in cash and cash equivalents</b>		<b>(565,097)</b>	306,449	<b>(586,357)</b>	302,199
Cash and cash equivalents at 1 January		<b>802,286</b>	495,838	<b>798,037</b>	495,838
Cash and cash equivalents at 31 December 2024	20	<b>237,189</b>	802,287	<b>211,680</b>	798,037

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

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 1. Reporting Entity

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

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

### 2. Basis of Preparation

#### (a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2023 (as amended). The audited consolidated and separate financial statements were authorised for issue by the Board of Directors on 28 March, 2025.

#### (b) Basis of measurement

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

- Non-derivative financial instruments initially measured at fair value and subsequently measured at amortised cost.
- Government grant (recognised as deferred income) measured at fair value.
- Inventories: Lower of cost and net realisable value.

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

#### (c) Functional and presentation currency

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

#### (d) Use of estimates and judgment

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

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

Information about critical judgments made in applying accounting policies that have the most significant

effect on the amounts recognised in the financial statements are included in the following notes:

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

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

Note 2(e) and 30(a)	determination of fair values
Note 4(G) and 30(b)	impairment of financial assets: Expected credit loss and forward looking
Note 12	uncertainty over income taxes: transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.
Note 26 (a)	determination of cashflows repayments in respect of the investment property development financing arrangement.

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Note 33 recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

### (e) *Measurement of fair values*

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

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

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

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

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

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

### 3. 'Changes in significant accounting policies

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

#### A. IFRS 16 Leases

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

#### (a) Definition of a lease

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

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



# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### (b) As a Lessee

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

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

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

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

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

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

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

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

### (c) As a Lessor

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

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

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

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

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

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 4. Significant Accounting Policies

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

A. Foreign currency transactions	12	O. Taxation	20
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#### A. Foreign currency transactions

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

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

#### B. Financial instruments

##### i. Recognition and initial measurement

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.

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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.

### ***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.

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual 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.

### **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

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

### iv) Derecognition and offsetting

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

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

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

- iv) Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

## C. Capital and other reserves

### i. Share capital

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

### ii. Share premium

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

### iii. Retained earnings

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

### iv. Fair value reserve

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

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### D. Property, plant and equipment

#### i. Recognition and measurement

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

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

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

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

#### ii. Subsequent cost

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

#### iii. Derecognition

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

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

#### iv. Depreciation

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

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

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

• Leasehold land	–	Unlimited
• Buildings	–	20 years
• Plants and machinery		
- Fixed plant	–	12 -40 years
- Movable plant	–	7 years
- Generators	–	5 years
• Motor vehicles		
- Trucks	–	6 years
- Cars	–	4 years

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

- Furniture and fittings – 5 years
- Computer equipment – 5 years
- Motor vehicles – 5 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

### E. Intangible assets

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

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

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

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

#### Internally generated intangible assets

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

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

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

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

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

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### F. Investment property

#### i. Recognition and measurement

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

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

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

#### ii. Subsequent expenditure

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

#### iii. Depreciation

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

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.



# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

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

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

### ii Measurement of ECLs

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

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

### iii Credit-impaired financial assets

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

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

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

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

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

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### v Write off

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

### H. Contingent liabilities and contingent assets

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

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

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

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

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

### I. Provisions

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

### J. Employee benefits

#### i. Defined contribution plan

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

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

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

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### ii. Short-term employee benefits

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

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

### iii. Termination benefits

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

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

### K. Inventories

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

Raw materials, non-returnable packaging materials and consumable spare parts	– purchase cost on a weighted average basis including transportation and applicable clearing charges.
Finished products and products-in-process	– weighted average cost of direct materials and labour plus a reasonable proportion of manufacturing overheads based on normal levels of activity.
Goods in transit	– Purchase cost incurred to date

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

### L. Revenue by nature

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

##### a Sale of paints and allied products

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

Revenue is recognised when the goods are delivered and have been accepted by customers.

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

### **(ii) Investment property rental income**

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

### **M. Finance income and finance costs**

Finance income comprises interest income on funds invested, dividend income, gains on re-measurement 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. Government grant**

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

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

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

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

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### O. Taxation

#### Income tax

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

#### (a) Current tax

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

#### (b) Deferred tax

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

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

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

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

- (a) has a legally enforceable right to set off current tax assets against current tax liabilities; and 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.

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### **(c) Minimum tax expense**

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

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

### **P. Earnings per share**

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

### **Q. Leases**

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

#### ***Policy applicable from 1 January 2019***

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

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

#### **i. As a lessee**

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

The right-of-use is 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.

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

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

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

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

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 leased of low-value assets.*

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

### ii. As a lessor

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

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

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

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

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

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

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

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

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### *Policy applicable before 1 January 2019*

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

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

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

#### **ii. Leased assets**

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

#### **iii. Lease payments**

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

### **R. Statement of cashflows**

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

### **S. Operating Segment**

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

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

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

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

### **T. Dividends**

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



# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

### **U. Prepayments and advances**

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

### **V. Deposit for imports**

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

### **W. Investment in subsidiary**

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

### **X. Related parties**

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

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

### **Y. Changes in accounting policies and disclosures and Standards Issued**

#### **New and amended standards and interpretations**

Several standards amendments and interpretations apply for the first time in 2024 but did not have an impact on the financial statements of the Company.

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.\

#### **Z. Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
<b>5. Revenue</b>				
<b>5.1 Revenue stream for the period comprises:</b>				
(i) Revenue from contract with customers				
- Sale of paints and allied products*	13,194,029	9,259,523	13,194,029	9,259,523
- Contract services	122,667	306,665	30,257	306,665
	<b>13,316,696</b>	<b>9,566,188</b>	<b>13,224,286</b>	<b>9,566,188</b>
Revenue from sale of paints and allied products for the year comprises:				
Revenue (net of value added tax)	13,316,696	9,566,188	13,224,286	9,566,188
Discounts and rebates	(2,484,785)	(1,656,007)	(2,484,785)	(1,656,007)
	<b>10,831,911</b>	<b>7,910,181</b>	<b>10,739,502</b>	<b>7,910,181</b>

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

### Contract balances

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

Billed receivables in respect of sales of paints and allied products	183,706	219,370	158,076	201,877
Unbilled receivables in respect of contract services	83,688	1,772	83,688	1,772
Trade receivables (Note 18.1)	<b>267,394</b>	<b>221,142</b>	<b>241,763</b>	<b>203,649</b>

### 6. Other income

Other income comprises:

Sale of Scrap	34,242	19,290	34,242	19,290
Income on property leases (Note 6.1)	21,592	33,315	21,592	33,315
Profit from disposal of property, plant and equipment	6,371	18,514	6,011	18,514
Insurance claims received	15	184	15	184
Income from fixed deposit	51,637	38,245	51,637	7,000
Sale of raw materials	13,310	5,682	13,310	5,682
	<b>127,167</b>	<b>115,231</b>	<b>126,807</b>	<b>83,985</b>

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

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>7. Finance income and finance cost</b>				
Recognised in profit or loss:				
Interest income on bank deposits	-	30	-	30
Interest income on other financial assets	11,966	40,546	11,966	40,546
Foreign currency gain	(1,640)	-	(1,640)	-
Government grant	31,285	12,882	31,285	12,882
Total finance income	<u>41,611</u>	<u>53,458</u>	<u>41,611</u>	<u>53,458</u>
Interest expense on borrowings	(32,079)	-	(32,079)	-
Interest expense on financial liabilities measured at amorti	-	(28,419)	-	(28,419)
Total finance cost	<u>(32,079)</u>	<u>(28,419)</u>	<u>(32,079)</u>	<u>(28,419)</u>
Net finance income recognised in profit or loss	<u>9,532</u>	<u>25,039</u>	<u>9,532</u>	<u>25,039</u>

### 8. Profit before income tax

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

Directors' emoluments	126,028	88,068	110,158	88,068
Depreciation	250,760	226,046	247,992	224,352
Amortisation	10,749	10,877	10,749	10,877
Personnel expenses	1,152,492	841,665	1,147,216	831,486
Auditors' remuneration	20,700	29,250	18,450	27,000
Impairment loss/(write back) on trade receivables	3,778	(44,566)	3,778	(44,566)
Profit from disposal of property, plants and equipment	6,011	(18,514)	6,011	(18,514)

### 9. Expenses

#### 9.1 Analysis of expenses by nature

Directors emoluments	126,028	88,068	110,158	88,068
Personnel expenses (Note 9.3)	1,152,492	841,665	1,147,216	831,486
Training expenses	10,917	444	10,917	444
Repairs and maintenance	212,063	126,832	212,063	126,832
Office and corporate expenses	267,997	157,049	267,997	136,738
License and permits	38,501	41,931	38,501	41,931
Utilities	206,007	192,086	206,007	192,086
Insurance	81,493	53,687	81,493	53,687
Travel, transport and accommodation	309,157	160,004	309,157	160,004
Rent, rate and levies	10,091	1,997	10,091	1,997
Subscriptions	3,969	16,178	3,969	16,178
Donations	1,138	1,047	1,138	1,047
Depreciation	250,760	226,046	247,992	224,352
Amortisation	10,749	10,877	10,749	10,877
Printing and stationery	5,105	6,476	5,105	6,476
Professional, Consulting and Legal Fees	131,513	86,312	129,768	86,312
Auditors' remuneration	20,700	29,250	18,450	27,000
Bank charges	16,033	16,667	15,925	16,667
Advertisement and publicity expenses	233,907	158,792	233,907	157,710
Distribution expenses	455,015	370,629	455,014	370,629
Raw materials and consumables	6,268,045	4,468,475	6,199,192	4,424,239
Foreign currency exchange loss	-	80,207	-	80,207
Impairment of Heritage Bank balance	1,075	-	1,075	-
Loss on sale of asset	11	-	11	-
Contract services expenses	23,261	209,021	23,261	209,021
	<u>9,836,026</u>	<u>7,343,738</u>	<u>9,739,159</u>	<u>7,263,988</u>

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<i>Summarised as follows:</i>				
9.2 Cost of sales	<b>6,987,936</b>	5,259,377	<b>6,919,726</b>	5,214,061
Selling and distribution expenses	<b>689,600</b>	525,909	<b>688,921</b>	525,909
Administrative expenses	<b>2,158,490</b>	1,558,452	<b>2,130,512</b>	1,524,018
<b>Total cost</b>	<b><u>9,836,026</u></b>	<u>7,343,738</u>	<b><u>9,739,159</u></b>	<u>7,263,988</u>

### b) Depreciation

Depreciation charged for the year comprises:

Depreciation of property, plant and equipment	<b>230,456</b>	173,382	<b>227,688</b>	171,688
Amortisation of intangible assets	-	32,304	-	32,304
Depreciation of investment property	<b>20,304</b>	20,360	<b>20,304</b>	20,360

### Total depreciation

	<b><u>250,760</u></b>	<u>226,046</u>	<b><u>247,992</u></b>	<u>224,352</u>
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### 9.3. Personnel expenses

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

Salaries, wages and allowances	<b>1,003,782</b>	722,196	<b>998,506</b>	712,017
Other staff expenses	<b>74,767</b>	59,814	<b>74,767</b>	59,814
Employer contribution to compulsory pension fund scheme	<b>73,943</b>	59,655	<b>73,943</b>	59,655
	<b><u>1,152,492</u></b>	<u>841,665</u>	<b><u>1,147,216</u></b>	<u>831,486</u>

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

N	N	Number	Number	Number	Number
1 - 500,000	500,001 - 1,000,000	-	-	-	-
500,001 - 1,000,000	1,000,001 - 1,500,001	-	1	-	1
1,000,001 - 1,500,001	1,500,001 - 2,000,001	3	8	3	8
1,500,001 - 2,000,001	2,000,001 - 3,000,001	12	21	12	21
2,000,001 - 3,000,001	3,000,001 and above	40	33	40	33
3,000,001 and above		82	73	80	71
		<u>137</u>	<u>136</u>	<u>135</u>	<u>134</u>

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

Production	20	20	20	20
Sales and marketing	40	39	38	37
Finance	8	8	8	8
Human Resource	4	4	4	4
Maintenance	6	6	6	6
Admin/Corporate	20	18	20	18
Logistics & Supply Chain	18	18	18	18
Internal Control	6	6	6	6
Information Technology (IT)/CSR	2	2	2	2
Technical & Quality Assurance	11	13	11	13
Risk Management	2	2	2	2
	<u>137</u>	<u>136</u>	<u>135</u>	<u>134</u>

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
d) Remuneration (excluding pension contributions and certain benefits) paid to directors of the Company and charged to the profit or loss are as follows:				
Fees paid to non executive directors	126,028	88,068	110,158	88,068
Salaries	76,380	35,351	76,380	35,351
	<u>202,408</u>	<u>123,419</u>	<u>186,538</u>	<u>123,419</u>
<b>The directors remuneration shown above include:</b>				
Chairman	16,500	9,000	15,000	7,500
Highest paid Director	76,380	35,351	76,380	35,351

### Other directors received emoluments in the following ranges:

N		N		Number	Number	Number	Number
250,000	-	1,000,000	-	-	-	-	-
1,000,001	-	2,000,000	-	-	-	-	-
3,000,001	-	10,000,000	-	4	4	4	4
10,000,001	-	16,500,000	-	1	1	1	1
				<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>

### 10.1 Income tax expenses

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:

Current tax expense:

Company income tax	316,415	215,191	316,415	215,191
WHT credit notes impaired	-	7,594	-	7,594
Nigeria Police Trust Fund Levy (NPTF)	60	40	60	40
Tertiary education tax	41,821	30,295	41,821	30,295

Overprovision in prior year

Back duty assessment:

Company income tax	181,915	-	181,915	-
Education tax	20,534	77,866	20,534	77,866
(Credit)/charge for the year	511,767	330,986	511,767	330,986

Deferred tax expense

	6,177	-	6,177	-
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**Income tax expense**

	<u>517,944</u>	<u>330,986</u>	<u>517,944</u>	<u>330,986</u>
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# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>10.2 Reconciliation of effective tax rate:</b>				
Profit for the period	612,184	445,330	614,960	468,797
Taxation	517,944	330,986	517,944	330,986
<b>Profit before taxation</b>	<b>1,130,128</b>	<b>776,316</b>	<b>1,132,904</b>	<b>799,783</b>
Income tax using the Company's domestic rate of 30%	<b>339,038</b>	232,895	<b>339,871</b>	239,935
Tertiary education tax	<b>41,821</b>	23,289	<b>41,821</b>	23,993
Effect of:				
- Nigeria Police Trust Fund (NPTF) levy	<b>60</b>	40	<b>60</b>	40
- Non-deductible expenses	<b>63,747</b>	62,119	<b>62,914</b>	54,375
- Tax exempt income	<b>(2,882)</b>	-	<b>(2,882)</b>	-
- Balancing Adjustment	<b>23,608</b>	-	<b>23,608</b>	-
- Tax incentives	<b>(107,097)</b>	-	<b>(107,097)</b>	-
- Net WHT notes impaired	-	7,594	-	7,594
- Change in tax rate	-	5,049	-	5,049
- Overprovision in prior year	<b>(48,978)</b>	-	<b>(48,978)</b>	-
	<b>6,177</b>	-	<b>6,177</b>	-
- Back duty Assessment	<b>202,449</b>	-	<b>202,449</b>	-
<b>Tax expense</b>	<b>517,944</b>	330,986	<b>517,944</b>	330,986
<b>10.3 The movement in the tax payable during the year was as follows:</b>				
<b>Current tax assets/(liabilities)</b>				
Balance as at 1 January	<b>184,330</b>	14,759	<b>184,330</b>	14,759
Current period charge	<b>511,767</b>	245,526	<b>511,767</b>	245,526
Minimum tax charge	-	-	-	-
Cash payments	<b>(80,394)</b>	(14,759)	<b>(80,394)</b>	(14,759)
WHT credit notes utilised	<b>(129,911)</b>	(61,196)	<b>(129,911)</b>	(61,196)
<b>Balance as at period end (A)</b>	<b>485,792</b>	184,330	<b>485,792</b>	184,330
<b>WHT credit notes</b>				
Balance as at 1 January	-	42,050	-	42,050
Net WHT credit recovered	-	-	-	-
Additions	<b>55,853</b>	26,740	<b>55,853</b>	26,740
Transfer from prepayment and advances (Note 20)	-	(7,594)	-	(7,594)
WHT credit notes utilised	<b>(55,853)</b>	(61,196)	<b>(55,853)</b>	(61,196)
<b>Balance as at period end (B)</b>	<b>-</b>	-	<b>-</b>	-
<b>Total current tax assets/(liabilities) (A+B)</b>	<b>485,792</b>	184,330	<b>485,792</b>	184,330

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Balance at 1 January	Recognised in profit or loss	Net	Deferred tax assets	Deferred tax liabilities
<b>11 Deferred taxation</b>					
<b>Group</b>					
<b>31 December 2024</b>					
Property, plant and equipment	601,980	(63,680)	538,300	-	538,300
Allowance on trade receivable	(33,966)	33,966	-	-	-
Provision for gratuity discontinued	(713)	1,847	-	-	-
Provision for slow moving inventories	(7,088)	7,088	1,134	-	1,134
Unrealised exchange losses/(gain)	(26,465)	26,957	492	-	492
			-		
Net tax (assets)/ liabilities	533,748	6,177	539,925	-	539,925
<b>Group</b>					
<b>31 December 2023</b>					
Property, plant and equipment	528,587	73,393	601,980	-	601,980
Allowance on trade receivable	(59,822)	25,856	(33,966)	(33,966)	-
Provision for gratuity discontinued	(713)	-	(713)	(713)	-
Provision for slow moving inventories	(11,969)	4,881	(7,088)	(7,088)	-
Unrealised exchange losses/(gain)	(201)	(26,264)	(26,465)	(26,465)	-
			-		
Net tax (assets)/ liabilities	455,882	77,866	533,748	(68,232)	601,980
<b>Company</b>					
<b>31 December 2024</b>					
Property, plant and equipment	601,980	(63,680)	538,300		538,300
Allowance on trade receivable	(33,966)	33,966	-		-
Provision for gratuity discontinued	(713)	1,847	1,134		1,134
Provision for slow moving inventories	(7,088)	7,088	-		-
Unrealised exchange losses/(gain)	(26,465)	26,957	492		492
Net tax (assets)/ liabilities	533,748	6,177	539,925	-	539,925
<b>Company</b>					
<b>31 December 2023</b>					
Property, plant and equipment	528,587	73,393	601,980	-	601,980
Allowance on trade receivable	(59,822)	25,856	(33,966)	(33,966)	-
Provision for gratuity discontinued	(713)	-	(713)	(713)	-
Provision for slow moving inventories	(11,969)	4,881	(7,088)	(7,088)	-
Unrealised exchange losses/(gain)	(201)	(26,264)	(26,465)	(26,465)	-
Net tax (assets)/ liabilities	455,882	77,866	533,748	(68,232)	601,980

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 12. Basic and diluted earnings per share

Basic earnings per share of 211kobo and 212 Kobo (31 December 2023: 154 kobo and 152 kobo) is based on the Group profit and Company profit for the period of ₦610.9 million and N615million (31 December 2023: ₦445.3 million and N468.8million) and on 289,823,447 (2023: 289,823,447) ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue during the period.

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

### 13. Property Plant and equipment

#### 13.1 Group

The movement on these accounts was as follows:

	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	Capital work-in progress N'000	Total N'000
<b>Cost</b>								
Balance at 1 January 2023	390,000	1,313,360	1,560,286	69,255	165,381	172,591	-	3,670,873
Additions	-	-	93,178	37,561	8,025	15,891	134,153	288,808
Disposals/write-off	-	-	(23,879)	(4,140)	(27,454)	(6,532)	-	(62,005)
Balance at 31 December 2023	<u>390,000</u>	<u>1,313,360</u>	<u>1,629,585</u>	<u>102,676</u>	<u>145,952</u>	<u>181,950</u>	<u>134,153</u>	<u>3,897,676</u>
Balance at 1 January 2024	390,000	1,313,360	1,629,585	102,676	145,952	181,950	134,153	3,897,676
Adjustment	-	-	-	(2,442)	-	2,442	-	-
Additions	-	159,269	-	-	5,943	47,505	97,625	310,342
Reclassification to tangible assets	-	-	124,763	107,015	-	-	(231,778)	-
Disposals	-	-	(22,851)	(255)	-	-	-	(23,106)
Balance at 31 December 2024	<u>390,000</u>	<u>1,472,629</u>	<u>1,731,497</u>	<u>206,994</u>	<u>151,895</u>	<u>231,897</u>	<u>-</u>	<u>4,184,912</u>
<b>Accumulated depreciation</b>								
Balance at 1 January 2023	78,081	432,392	432,428	55,924	142,056	129,278	-	1,270,159
Charge for the year	9(b) -	66,743	71,879	9,623	8,906	16,231	-	173,382
Disposals	-	-	(22,893)	(4,129)	(26,617)	(6,532)	-	(60,171)
Balance at 31 December 2023	<u>78,081</u>	<u>499,135</u>	<u>481,414</u>	<u>61,418</u>	<u>124,345</u>	<u>138,977</u>	<u>-</u>	<u>1,383,370</u>
Balance at 1 January 2024	78,081	499,135	481,414	61,418	124,345	138,977	-	1,383,370
Charge for the period	9(b) -	75,105	85,629	25,953	20,067	23,715	-	230,469
Disposals	-	-	(22,851)	(243)	-	-	-	(23,094)
Balance at 31 December 2024	<u>78,081</u>	<u>574,240</u>	<u>544,192</u>	<u>87,128</u>	<u>144,412</u>	<u>162,692</u>	<u>-</u>	<u>1,590,745</u>
<b>Carrying amounts</b>								
At 31st December 2024	<u>311,919</u>	<u>898,389</u>	<u>1,187,305</u>	<u>119,866</u>	<u>7,483</u>	<u>69,205</u>	<u>-</u>	<u>2,594,128</u>
At 31 December 2023	<u>311,919</u>	<u>814,225</u>	<u>1,148,171</u>	<u>41,258</u>	<u>21,607</u>	<u>42,973</u>	<u>134,153</u>	<u>2,514,306</u>



# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 13.2 COMPANY

The movement on these accounts was as follows:

	<i>Note</i>	<b>Leasehold Land N'000</b>	<b>Buildings N'000</b>	<b>Plants and Machinery N'000</b>	<b>Furniture and fittings N'000</b>	<b>Motor Vehicles N'000</b>	<b>Computer Equipment N'000</b>	<b>Capital work-in- progress N'000</b>	<b>TOTAL N'000</b>
<b>Cost</b>									
Balance at 1 January 2023		390,000	1,313,360	1,560,286	69,255	165,381	172,592	-	3,670,874
Additions		-	-	93,178	37,561	3,700	15,496	134,153	284,088
Transfer		-	-	(15,045)	-	(3,700)	(489)	-	(19,234)
Disposals/write-off		-	-	(23,879)	(4,140)	(27,454)	(6,532)	-	(62,005)
Balance at 31 December 2023		<u>390,000</u>	<u>1,313,360</u>	<u>1,614,540</u>	<u>102,676</u>	<u>137,927</u>	<u>181,067</u>	<u>134,153</u>	<u>3,873,723</u>
Balance at 1 January 2024		390,000	1,313,360	1,614,540	102,676	137,927	181,067	134,153	3,873,723
Adjustment		-	-	-	(2,442)	-	2,442	-	-
Additions		-	159,269	-	-	5,943	47,505	97,625	310,342
Reclassification		-	-	124,763	107,015	-	-	(231,778)	-
Disposals		-	-	(22,851)	(255)	-	-	-	(23,106)
Balance at 31 December, 2024		<u>390,000</u>	<u>1,472,629</u>	<u>1,716,452</u>	<u>206,994</u>	<u>143,870</u>	<u>231,014</u>	<u>-</u>	<u>4,160,959</u>
<b>Accumulated depreciation</b>									
Balance at 1 January 2023		78,081	432,392	432,428	55,924	142,056	129,278	-	1,270,159
Charge for the year	9(b)	-	65,668	71,351	9,623	8,906	16,140	-	171,688
Transfer		-	-	(7,124)	-	(542)	(306)	-	(7,972)
Disposals		-	-	(22,893)	(4,129)	(26,617)	(6,532)	-	(60,171)
Balance at 31 December 2023		<u>78,081</u>	<u>498,060</u>	<u>473,762</u>	<u>61,418</u>	<u>123,803</u>	<u>138,580</u>	<u>-</u>	<u>1,373,704</u>
Balance at 1 January 2024		78,081	498,060	473,762	61,418	123,803	138,580	-	1,373,707
Charge for the period	9(b)	-	75,105	82,861	25,937	20,067	23,715	-	227,688
Disposals		-	-	(22,851)	(243)	-	-	-	(23,094)
Balance at 31 December, 2024		<u>78,081</u>	<u>573,165</u>	<u>533,772</u>	<u>87,112</u>	<u>143,870</u>	<u>162,295</u>	<u>-</u>	<u>1,578,301</u>
<b>Carrying amounts</b>									
<b>At 31 December 2024</b>		<u><b>311,919</b></u>	<u><b>899,464</b></u>	<u><b>1,182,680</b></u>	<u><b>119,882</b></u>	<u><b>-</b></u>	<u><b>68,719</b></u>	<u><b>-</b></u>	<u><b>2,582,658</b></u>
At 31st December 2023		<u>311,919</u>	<u>815,300</u>	<u>1,140,778</u>	<u>41,258</u>	<u>14,124</u>	<u>42,487</u>	<u>134,153</u>	<u>2,500,019</u>

#### a) Impairment of property, plant and equipment

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

b) **Transfer.** This represents transfers of machinery, motor vehicle and computer equipments to subsidiaries - Swift Painting Nigeria Limited.

c) No assets of the Company was pledged as securities for loan during the year

d) Adjustment represents item of computer equipment previously classified as furniture and fittings now adjusted to computer equipment.

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 13.3 Right of Use asset

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

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

	<b>Group</b>		<b>Company</b>	
	<b>Motor Vehicles under Lease N'000</b>	<b>Total N'000</b>	<b>Motor Vehicles under Lease N'000</b>	<b>Total N'000</b>
<b>Cost</b>				
Balance at 1 January 2023	182,350	182,350	182,350	182,350
Additions	-	-	-	-
Balance at 31 December 2023	<u>182,350</u>	<u>182,350</u>	<u>182,350</u>	<u>182,350</u>
Balance at 1 January 2024	182,350	182,350	182,350	182,350
Additions	55	55	55	55
Balance at 31 December 2024	<u>182,405</u>	<u>182,405</u>	<u>182,405</u>	<u>182,405</u>
<b>Accumulated depreciation</b>				
Balance at 1 January 2023	131,699	131,699	131,699	131,699
Charge for the year	<u>32,304</u>	<u>32,304</u>	<u>32,304</u>	<u>32,304</u>
Balance at 31 December 2023	<u>164,003</u>	<u>164,003</u>	<u>164,003</u>	<u>164,003</u>
Balance at 1 January 2024	164,003	164,003	164,003	164,003
Charge for the period	-	-	-	-
Balance at 31 December 2024	<u>164,003</u>	<u>164,003</u>	<u>164,003</u>	<u>164,003</u>
<b>Carrying amounts</b>				
At 31st December 2024	<u><u>18,402</u></u>	<u><u>18,402</u></u>	<u><u>18,402</u></u>	<u><u>18,402</u></u>
At 31 December 2023	<u><u>18,347</u></u>	<u><u>18,347</u></u>	<u><u>18,347</u></u>	<u><u>18,347</u></u>

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Computer Software N'000	Total N'000
<b>14. Intangible assets</b>		
<b>14.1 Group</b>		
<b>Cost</b>		
Balance at 1 January 2023	108,948	108,948
Additions	652	652
Balance at 31 December 2023	<u>109,600</u>	<u>109,600</u>
Balance at 1 January 2024	109,600	109,600
Additions	33,862	33,862
Balance at 31 December 2024	<u>143,462</u>	<u>143,462</u>
<b>Accumulated amortisation</b>		
Balance at 1 January 2023	81,121	81,121
Charge for the year	10,877	10,877
Balance at 31 December 2023	<u>91,998</u>	<u>91,998</u>
Balance at 1 January 2024	91,998	91,998
Charge for the period	10,749	10,749
Balance at 31 December 2024	<u>102,747</u>	<u>102,747</u>
<b>Carrying amounts</b>		
At 31 December 2023	<u>17,602</u>	<u>17,602</u>
At 31 December, 2024	<u>40,715</u>	<u>40,715</u>
<b>14.2 Company</b>		
<b>Cost</b>		
Balance at 1 January 2023	108,948	108,948
Additions	652	652
Balance at 31 December 2023	<u>109,600</u>	<u>109,600</u>
Balance at 1 January 2024	109,600	109,600
Additions	33,862	33,862
Balance at 31 December 2024	<u>143,462</u>	<u>143,462</u>
<b>Accumulated amortisation</b>		
Balance at 1 January 2023	81,121	81,121
Charge for the year	10,877	10,877
Balance at 31 December 2023	<u>91,998</u>	<u>91,998</u>
Balance at 1 January 2024	91,998	91,998
Charge for the period	10,749	10,749
Balance at 31 December 2024	<u>102,747</u>	<u>102,747</u>
<b>Carrying amounts</b>		
At 31 December 2024	<u>40,715</u>	<u>40,715</u>
At 31 December 2023	<u>17,602</u>	<u>17,602</u>

The Company's intangible assets represent cost of Microsoft Navision ERP applications license and technical agreement. The cost is amortised to profit or loss over a period of five years.

Intangible assets amortisation charged to profit or loss for the period amounts to ₦10.7 million (31 December 2023: ₦10.9 million) and is included as part of administrative expenses.

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>15. Investment property</b>				
The movement on this account was as follows:				
<b>Cost</b>				
Balance at 31 December	<u>604,468</u>	<u>604,468</u>	<u>604,468</u>	<u>604,468</u>
<b>Accumulated depreciation</b>				
Balance at 1 January	262,954	242,594	262,954	242,594
Charge for the period	<u>20,304</u>	<u>20,360</u>	<u>20,304</u>	<u>20,360</u>
<b>Balance at 31 December</b>	<u>283,258</u>	<u>262,954</u>	<u>283,257</u>	<u>262,954</u>
Carrying amounts at period ended	<u>321,210</u>	<u>341,514</u>	<u>321,211</u>	<u>341,514</u>

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

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

Rental income generated from investment property recognised during the period was N21.6 million (31 December 2023: N33.3million).

Direct operating expenses (included in repairs and maintenance expenses) arising from investment property that generated rental income during the period was Nil (31 December 2023: Nil).

Depreciation of ₦20.3 million (31 December 2023: ₦20.4 million) charged on investment property for the period was included in admin expenses.

The fair value of the investment property as at period end is ₦3.18 billion (31 December 2023: ₦2.46 billion). The fair value was determined by an external, independent property valuer (Jide Taiwo and Co.) with Financial Reporting Council of Nigeria (FRC) No: FRC/2014/NIESV/000000000254. The valuation was carried out by Umoru Yakub with FRCN number FRC/2014/PRO/NIESV/014/00000008842. 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. The direct market comparison and depreciated replacement cost method was used in

	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>16. Inventories</b>				
Raw and packaging materials	2,623,978	1,254,862	2,623,978	1,254,862
Finished products	618,387	415,731	618,387	415,731
Product-in-process	4,126	10,172	4,126	10,172
Consumable spare parts	55,648	96,470	55,648	96,470
Goods in transit	-	371,025	-	371,025
	<u>3,302,139</u>	<u>2,148,260</u>	<u>3,302,139</u>	<u>2,148,260</u>

Inventory to the value of N3.3 billion (2023: N2.15 billion) were carried at net realisable value. Inventory written down during the year was N47.7 million (2023: N22 million).

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>17. Trade and other receivables comprises:</b>				
<b>17.1 Trade and other receivables comprises:</b>				
Trade receivables (Note 5(b))	267,394	219,370	241,763	201,877
Lease receivable	83,688	89,804	83,688	89,804
Staff debtors	3,692	1,760	3,692	1,760
Deposit with Company registrar	89,796	89,796	89,796	89,796
Contract assets	451	1,772	451	1,772
Other receivables	22,896	306	22,896	306
WHT receivables	2,213	-	2,213	-
Receivable from related party	-	-	56,054	30,399
Total trade and other receivables	470,130	402,808	500,552	415,714
Impairment allowance	(109,457)	(105,679)	(109,457)	(105,679)
Carrying amount as at period ended	360,672	297,129	391,095	310,035
<b>17.2</b> The movement in the allowance for impairment in respect of trade and other receivables during the period was as follows:				
Balance at 1 January	105,679	184,030	105,679	184,030
Net impairment loss recognised	3,778	(44,566)	3,778	(44,566)
Bad debt written off	-	(33,785)	-	(33,785)
Balance at 31 December 2024	109,457	105,679	109,457	105,679
<b>18. Deposit for imports</b>	-	46,601	-	46,601
The deposit for imports represents amounts deposited with banks to fund letters of credit. These letters of credit are meant to finance the importation of raw materials. The total value of deposit for imports as at 31 December 2024 amounted to Nil (31 December 2023 : ₦46.6 million).				
<b>19. Prepayments and advances</b>				
Prepayments and advances comprises:				
Advance payment to suppliers	109,980	85,748	109,980	85,748
WHT receivables	65,534	-	65,534	-
Prepaid insurance and others	24,383	67,685	24,383	67,685
	199,897	153,433	199,897	153,433
<b>20. Cash and cash equivalents</b>				
<b>Cash and cash equivalents comprises:</b>				
Cash on hand	89	69	89	69
Investment in short term deposit	-	130,594	-	130,594
Balance with banks	238,176	671,624	212,666	667,374
	238,264	802,287	212,755	798,037
Impairment of Heritage bank balance	(1,075)	-	(1,075)	-
<b>Cash and cash equivalents</b>	237,189	802,287	211,680	798,037

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>21. Other financial assets</b>				
This represents unclaimed dividend returned by the Company's registrar and invested in short term money market instrument as at period end:				
As at 31 December 2024, the investment is analysed as stated below:				
At 1 January	<b>257,122</b>	359,747	<b>257,122</b>	359,747
Additions/(proceed from liquidation of investment)	<b>177,896</b>	(143,171)	<b>177,896</b>	(143,171)
Interest income	<b>11,966</b>	40,546	<b>11,966</b>	40,546
At 31 December 2024	<b>446,983</b>	257,122	<b>446,983</b>	257,122
<b>22.1 Ordinary shares</b>				
Issued and fully paid 289,823,447 ordinary shares of 50k each				
	<b>144,912</b>	144,912	<b>144,912</b>	144,912
<b>22.2 Share premium</b>				
At 31 December 2024				
	<b>635,074</b>	635,074	<b>635,074</b>	635,074
<b>22.3. Retained earnings</b>				
At 1 January	<b>2,727,948</b>	2,543,459	<b>2,751,415</b>	2,543,459
Transfer from profit/loss	<b>610,862</b>	445,330	<b>614,960</b>	468,797
Dividend paid	<b>(290,460)</b>	(260,841)	<b>(290,460)</b>	(260,841)
At 31 December	<b>3,048,350</b>	2,727,948	<b>3,075,915</b>	2,751,415
<b>23. Trade and other payables</b>				
Trade and other payables comprises:				
Trade payables	<b>881,472</b>	626,995	<b>881,472</b>	617,897
Customer deposits for paints	<b>420,390</b>	287,889	<b>418,774</b>	287,889
Value Added Tax payable	<b>21,939</b>	18,946	<b>21,012</b>	18,946
Withholding Tax payable	<b>62,684</b>	67,197	<b>62,232</b>	67,197
PAYE payable	<b>35,707</b>	68,328	<b>35,696</b>	68,328
Pension payable (Note 24.1)	<b>19,799</b>	17,182	<b>19,799</b>	17,182
Other non-income taxes	<b>24,153</b>	9,626	<b>24,153</b>	9,626
Accruals	<b>373,313</b>	312,573	<b>362,199</b>	312,573
Other payables	<b>12,053</b>	10,148	<b>12,053</b>	10,148
	<b>1,851,509</b>	1,418,884	<b>1,837,389</b>	1,409,786
<b>23.1 Pension payable</b>				
Balance at 1 January	<b>17,182</b>	7,655	<b>17,182</b>	7,655
Charge for the year	<b>19,206</b>	69,152	<b>19,206</b>	69,152
Remittances	<b>(16,589)</b>	(59,625)	<b>(16,589)</b>	(59,625)
Balance at 31 December	<b>19,799</b>	17,182	<b>19,799</b>	17,182

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>24. Deferred income</b>				
Deferred income (Note 25.3)	105,078	199,877	105,078	199,877
Deferred project income	-	6,303	-	6,303
Lease income received in advance	9,979	18,026	9,979	18,026
Deferred income	<u>115,057</u>	<u>224,206</u>	<u>115,057</u>	<u>224,206</u>
<b>24.1 Non-current</b>	<b>83,772</b>	<b>166,138</b>	<b>83,772</b>	<b>166,138</b>
<b>24.2 Current</b>	<b>31,285</b>	<b>58,068</b>	<b>31,285</b>	<b>58,068</b>
	<u>115,057</u>	<u>224,206</u>	<u>115,057</u>	<u>224,206</u>

**24.3** It arises as a result of the benefit received from below-market-interest rate government assisted loans, obtained from the Bank of Industry. In year 2023, the Group obtained bank of industry loan to augment working capital and for the procurement of plant and machinery for the company's paint manufacturing business. The grant will be amortised on a systematic basis over the average useful life of the asset items.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>25. Loans and borrowings</b>				
<b>Bank of Industry</b>	<b>337,960</b>	<b>345,218</b>	<b>337,960</b>	<b>345,218</b>
<b>Analysis of loans and borrowings</b>				
<b>25.1 Non current borrowings</b>	<b>219,989</b>	<b>322,815</b>	<b>219,989</b>	<b>322,815</b>
<b>25.2 Current borrowings</b>	<b>117,971</b>	<b>22,403</b>	<b>117,971</b>	<b>22,403</b>

### i) Bank of Industry Loan

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

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

	2024		2023	
	N'000	N'000	N'000	N'000
<b>25.3 Movement in loans and borrowings</b>				
Balance, beginning of year	345,218	25,131	345,218	25,131
Additions	-	345,604	-	345,604
Repayment of Principal	-	(25,131)	-	(25,131)
Repayment of Interest	(39,337)	(15,923)	(39,337)	(15,923)
Government grant	-	(12,882)	-	(12,882)
Interest accrued in profit or loss	32,079	28,419	32,079	28,419
Balance, end of the period	<u>337,960</u>	<u>345,218</u>	<u>337,960</u>	<u>345,218</u>



# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 26. Dividends

The following dividends were declared and paid by the Company:

	<u>Per share</u> (kobo)	<b>2024</b> N'000	<u>Per share</u> (kobo)	2023 N'000
Interim Dividend declared	<b>20</b>	<b>57,965</b>	20	57,965
Dividend Declared	<b>80</b>	<b>231,859</b>	70	202,876

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

<b>2024</b> N'000	2023 N'000	<b>2024</b> N'000	2023 N'000
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### 26.1 Dividend payable

The movement in dividend payable is as follows:

	<b>2024</b> N'000	2023 N'000	<b>2024</b> N'000	2023 N'000
At 1 January	<b>382,281</b>	390,796	<b>382,281</b>	390,796
Declared dividend	<b>289,823</b>	260,841	<b>289,823</b>	260,841
Payments	<b>(309,347)</b>	(269,356)	<b>(309,347)</b>	(269,356)
At 31 December	<b>362,757</b>	382,281	<b>362,757</b>	382,281

### 27. Related Parties

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

### A Transactions with key management personnel

Key management personnel compensation comprised the following:

	<b>2024</b> N'000	2023 N'000	<b>2024</b> N'000	2023 N'000
Short-term benefits	<b>219,524</b>	127,772	<b>219,524</b>	117,593
Post employment benefits	-	-	-	-
	<b>219,524</b>	127,772	<b>219,524</b>	117,593

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

Related party	Nature of transaction	Transaction values		Balance Receivable/(Payable)	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
Swift Painting Nigeria Limited	Painting services	95,497	6,572	56,054	30,399
		95,497	6,572	56,054	30,399

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### B Other related party transactions

The Company incorporated a subsidiary in Ghana, Lewis Berger Ghana Limited, on 23 October 2013. As at 31 December, 2024, the subsidiary remained dormant and had not commenced operations. The Company has not prepared consolidated financial statements on the account of materiality.

### 28. Information regarding subsidiaries

#### 28.1 Subsidiaries

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

Direct subsidiaries	Principal Activity	Place of incorporation and operation	Proportion of ownership or voting power held by the Group 31-Dec-24
Swift Painting Nigeria Limited	Rendering of professional painting services	Nigeria	100.00%

#### 28.2 Investments in subsidiaries

		Group		Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
Swift Painting Nigeria Limited	Rendering of professional painting services	-	-	20,000.00	20,000.00
		-	-	20,000.00	20,000.00

#### Swift Painting Nigeria Limited

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

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Lewis Berger Ghana Limited

The Company incorporated a subsidiary in Ghana, Lewis Berger Ghana Limited, on 23 October 2013. As at 31 December, 2024, the subsidiary have remained dormant and had not commenced operations. There is no financial information in the records of the subsidiary and as such, the subsidiary has not been consolidated.

### 29. Financial instruments – Fair values and financial risk management

#### 29.1 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 2024, the Group did not have financial assets and liabilities measured at fair value through other comprehensive income or fair value through profit or loss.

#### Group

31 December 2024

	Note	Amortized Cost	Fair value			Total
			Level 1	Level 2	Level 3	
<i>Financial assets not measured at fair value</i>						
Other financial assets		446,983	-	446,983	-	446,983
Trade and other receivables		360,672	-	360,672	-	360,672
Cash and cash equivalents		237,189	-	237,189	-	237,189
		<u>1,044,845</u>	-	<u>1,044,845</u>	-	<u>1,044,845</u>
<i>Financial liabilities not measured at fair value</i>						
Loans and borrowings		337,960	-	337,960	-	337,960
Trade and other payables*		1,851,509	-	1,851,509	-	1,851,509
Dividend payable		362,757	-	362,757	-	362,757
		<u>2,552,226</u>	-	<u>2,552,226</u>	-	<u>2,552,226</u>

#### Group

31 December 2023

*Financial assets measured at fair value*

*Financial assets not measured at fair value*

Other financial assets		257,122	-	257,122	-	257,122
Trade and other receivables		297,129	-	297,129	-	297,129
Cash and cash equivalents		802,287	-	802,287	-	802,287
		<u>1,356,538</u>	-	<u>1,356,538</u>	-	<u>1,356,538</u>
<i>Financial liabilities not measured at fair value</i>						
Loans and borrowings		345,218	-	482,334	-	482,334
Trade and other payables*		637,143	-	637,143	-	637,143
Dividend payable		382,281	-	382,281	-	382,281
		<u>1,364,642</u>	-	<u>1,501,758</u>	-	<u>482,334</u>

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Amortized Cost	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Company</b>					
<b>31 December 2024</b>					
<i>Financial assets not measured at fair value</i>					
Other financial assets	446,983	-	446,983	-	446,983
Trade and other receivables	391,095	-	391,095	-	391,095
Cash and cash equivalents	211,680	-	211,680	-	211,680
	<b>1,049,758</b>	-	<b>1,049,758</b>	-	<b>1,049,758</b>
<i>Financial liabilities not measured at fair value</i>					
Loans and borrowings	337,960	-	293,861	-	293,861
Trade and other payables*	1,837,389	-	1,837,389	-	1,837,389
Dividend payable	362,757	-	362,757	-	362,757
	<b>2,538,106</b>	-	<b>2,494,007</b>	-	<b>2,494,007</b>
<b>Company</b>					
<b>31 December 2023</b>					
<i>Financial assets not measured at fair value</i>					
Other financial assets	257,122	-	257,122	-	257,122
Trade and other receivables	310,035	-	310,035	-	310,035
Cash and cash equivalents	798,037	-	798,037	-	798,037
	<b>1,365,194</b>	-	<b>1,365,194</b>	-	<b>1,365,194</b>
<i>Financial liabilities not measured at fair value</i>					
Loans and borrowings	345,218	-	482,334	-	482,334
Trade and other payables*	628,045	-	628,045	-	628,045
Dividend payable	382,281	-	382,281	-	382,281
	<b>1,355,544</b>	-	<b>1,492,660</b>	-	<b>1,492,660</b>

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

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

### Financial instruments in level 1

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

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

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Financial instruments in level 2

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

Specific valuation techniques used to value financial instruments include:

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

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

### b) Financial risk management

#### Overview

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

- Credit risk
- Liquidity risk
- Market risk

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

#### i) Risk management framework

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

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

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

#### ii) Credit risk

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

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Exposure to credit risk

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Trade and other receivables (See (a) below)	268,213	295,357	332,378	277,864
Cash and cash equivalents (excluding cash at hand) (See (b) below)	237,100	802,218	211,591	797,968
Other financial assets (See (b) below)	446,983	257,122	446,983	257,122
	<b>952,297</b>	<b>1,354,697</b>	<b>990,952</b>	<b>1,332,954</b>
<b>a) Trade and other receivables</b>				
Net trade and lease receivables (See a(i) below)	241,625	203,495	215,994	186,002
Deposit with Company registrar (See a(ii) below)	-	89,796	89,796	89,796
Staff debtors (See a(iii) below)	3,692	1,760	3,692	1,760
Other receivables (See a(iii) below)	22,896	306	22,896	306
	<b>268,213</b>	<b>295,357</b>	<b>332,378</b>	<b>277,864</b>

### (i) Net trade and lease receivables

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

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

### Concentration of risk

At 31 December 2024, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows:

	Carrying amount			
	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Wholesale customers	70,186	55,463	70,186	55,463
Retail customers (Home owners)	28,594	39,006	28,594	21,513
Others (Corporates)	161,168	124,901	161,168	124,901
Lease receivable	89,804	89,804	89,804	89,804
	<b>349,752</b>	<b>309,174</b>	<b>349,752</b>	<b>291,681</b>
Impairment losses on financial assets recognised in profit or loss were as follows:				
- Impairment loss on trade receivable arising from contracts f	19,653	21,991	19,653	21,991
- Impairment loss on investment property lease contracts	89,804	83,688	89,804	83,688
	<b>109,457</b>	<b>105,679</b>	<b>109,457</b>	<b>105,679</b>
Net trade and lease receivables	<b>240,295</b>	<b>203,495</b>	<b>240,295</b>	<b>186,002</b>

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Concentration of risk (cont'd)

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

At 31 December 2024, the ageing of trade receivables was as follows:

	Credit impaired	Weighted average loss	Gross N'000	Impairment N'000	Net N'000
<b>Group</b>					
<b>31 December 2024</b>					
Current (not past due)	No	0%	17,493	-	17,493
Past due 1–30 days	No	0%	85,178	-	85,178
Past due 31–60 days	No	0%	110	-	110
Over 61 days due	No	0%	33,361	-	33,361
			<b>136,141</b>	<b>0</b>	<b>136,141</b>
<b>Company</b>					
<b>31 December 2024</b>					
Current (not past due)	No	0%	-	-	-
Past due 1–30 days	No	0%	85,178	-	85,178
Past due 31–60 days	No	0%	110	-	110
Over 61 days due	No	0%	33,361	-	33,361
			<b>118,649</b>	<b>-</b>	<b>118,649</b>
<b>31 December 2023</b>					
Current (not past due)	No	0%	62,624	-	62,624
Past due 1–30 days	No	8%	71,422	(756)	70,666
Past due 31–60 days	No	12%	37,225	(3,958)	33,267
Over 61 days due	Yes	56%	30,606	(17,277)	13,329
			<b>201,877</b>	<b>(21,991)</b>	<b>179,886</b>

At 31 December 2024, the ageing of lease receivables was as follows:

<b>Group</b>					
<b>31 December 2024</b>					
Current (not past due)	No	0%	6,116	-	6,116
Over 61 days due	Yes	100%	83,688	(83,688)	0
			<b>89,804</b>	<b>(83,688)</b>	<b>6,116</b>

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	Credit impaired	Weighted average loss	Gross N'000	Impairment N'000	Net N'000
<b>Company</b>					
<b>31 December 2024</b>					
Current (not past due)	No	0%	6,116	-	6,116
Over 61 days due	Yes	100%	83,688	(83,688)	-
			<u>89,804</u>	<u>(83,688)</u>	<u>6,116</u>
<b>31 December 2023</b>					
Current (not past due)	No	0%	6,116	-	6,116
Over 61 days due	Yes	100%	83,688	(83,688)	-
			<u>83,688</u>	<u>(83,688)</u>	<u>-</u>

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

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Balance as at 1 January	105,679	184,030	105,679	184,030
Bad debt written off	-	(33,786)	-	(33,786)
(Write back)/Impairment loss of receivables	3,778	(44,566)	3,778	(44,566)
Balance as at 31 December	<u>109,457</u>	<u>105,679</u>	<u>109,457</u>	<u>105,679</u>

### (ii) Deposit with Company Registrar

This represents amounts held with the Company registrar in respect of payments of declared dividends to shareholders on behalf of the Company. This represents the Company's maximum credit exposure to the financial asset. The refund of this receivable is as stipulated by the Securities Exchange Commission's set guidelines. The Company's registrar is Meristem Registrars Limited. The Company has assessed the credit risk as low and the ECL is immaterial.

### (iii) Staff debtors and other receivables

This mainly represents lease receivable in respect of rent of an insignificant portion of the Group's building properties to third parties and receivables from employees. These receivables are payable on demand and its contractual period is less than 12 months. The Group has assessed the counter parties to have sufficient net liquid assets and are considered to be low credit risk, hence, the expected expected credit loss is immaterial. Consequently, the Group has not incurred impairment loss in respect of staff debtors and other receivables.

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

The Group and Company held cash and cash equivalents and other financial asset as at 31 December 2024 amounting to ₦237.2 million and ₦446.9 million and ₦211.7million and N446.9 (2023: N802 million) and ₦257 million (2023: N798 million and N257million) respectively which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with commercial banks with good external ratings. The Group manages the risk associated with its cash and cash equivalents by selecting banks with strong financial position and history of good performance.

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



# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### iii). Liquidity risk

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

The Group aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. At 31 December, 2024, the expected cash flows from trade and other receivables maturing within three months from Group and Company were ₦268 million and ₦242 million (2023: ₦203 million and ₦186 million) respectively. This excludes potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

#### Exposure to liquidity risk

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

#### Group

31 December 2024

	Contractual cash flows						
	Carrying Amount	Total	6 months or less	6-12 months	1 – 2 years	2 – 5 years	More than 5 years
31 December 2024							
Loans and borrowings	337,960	337,960	-	28,538	119,490	143,308	46,624
Trade and other payables*	1,851,509	1,851,509	1,851,509	-	-	-	-
Dividend payable	362,757	362,757	362,757	-	-	-	-
	<b>2,552,226</b>	<b>2,552,226</b>	<b>2,214,266</b>	<b>28,538</b>	<b>119,490</b>	<b>143,308</b>	<b>46,624</b>

#### Company

31 December 2024

	Contractual cash flows						
	Carrying Amount	Total	6 months or less	6-12 months	1 – 2 years	2 – 5 years	More than 5 years
31 December 2024							
Loans and borrowings	337,960	337,960	-	28,538	119,490	143,308	46,624
Trade and other payables*	1,837,389	1,837,389	1,682,684	-	-	-	-
Dividend payable	362,757	362,757	362,757	-	-	-	-
Lease liability	-	-	-	-	-	-	-
	<b>2,538,106</b>	<b>2,538,106</b>	<b>2,045,441</b>	<b>28,538</b>	<b>119,490</b>	<b>143,308</b>	<b>46,624</b>

#### Company

31 December 2023

	Contractual cash flows						
	Carrying Amount	Total	6 months or less	6-12 months	1 – 2 years	2 – 5 years	More than 5 years
31 December 2023							
<i>In thousands of naira</i>							
Loans and borrowings	345,218	482,334	-	28,538	228,308	178,864	46,624
Trade and other payables*	1,228,506	1,228,506	614,253	614,253	-	-	-
Dividend payable	382,281	286,711	191,141	95,570	-	-	-
	<b>1,956,005</b>	<b>1,997,551</b>	<b>805,394</b>	<b>738,361</b>	<b>228,308</b>	<b>178,864</b>	<b>46,624</b>

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

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

### 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.

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 1. Currency risk

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

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

### Exposure to currency risk

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

Group	31 December 2024			31 December 2023		
	US\$	€	GBP	US\$	€	GBP
Foreign currency included in cash and cash equivalents	27,829	1,940	356	72,216	973	356

Company	30 September 2024			31 December 2023		
	US\$	€	GBP	US\$	€	GBP
Foreign currency included in cash and cash equivalents	27,829	1,940	356	72,216	973	356

The following significant exchange rates were applied:

Group Naira	Average rate during the		Year end spot rate	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
US\$ 1	1541.00	899.90	1535.82	951.29
€ 1		993.10	1710.00	1052.49
GBP 1		1,144.00	2110.00	1142.79

### Company

Naira	Average rate during the year		Year end spot rate	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
US\$ 1	1541.00	899.90	1485.00	951.29
€ 1		993.10	1642.71	1052.49
GBP 1		1,144.00	1783.24	1142.79

### Sensitivity analysis

A reasonably possible strengthening/(weakening) of the naira against all other currencies at 31 December 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest and inflation rates, remain constant and ignores any impact of forecast purchases.

Group and Company	Profit or loss	
	Strengthening N'000	Weakening N'000
<b>31 December 2024</b>		
US\$ (20% movement)	1,936	(1,936)
€ (20% movement)	21	(21)
GBP (20% movement)	9	(9)
<b>Company</b>		
<b>31 December 2023</b>		
US\$ (20% movement)	13,740	(8,236)
€ (20% movement)	205	(205)
GBP (20% movement)	81	(81)

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### **Interest rate risk**

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

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

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

	<b>Nominal amount</b>	
	<b>2024</b>	2023
	<b>N'000</b>	N'000
<b>Group</b>		
<b>Fixed rate instruments</b>		
<b>Financial liabilities:</b>		
Short term borrowings	117,971	22,403
Long term borrowing	<u>219,989</u>	<u>322,815</u>
	<u><b>337,960</b></u>	<u><b>345,218</b></u>
<b>Company</b>		
<b>Fixed rate instruments</b>		
<b>Financial liabilities:</b>		
Short term borrowings	117,971	22,403
Long term borrowing	<u>219,989</u>	<u>322,815</u>
	<u><b>337,960</b></u>	<u><b>345,218</b></u>

### **Fair value sensitivity analysis for fixed rate instruments**

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

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

The Group and Company does not have any variable rate financial assets and liabilities as at 31 December 2024 (December 2023: Nil).

### **(c). Capital management**

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

The Group and Company's adjusted net debt to equity ratio at 31 December 2024, were as follows.

	<b>2024</b>	2023
	<b>N'000</b>	N'000
<b>Group</b>		
<i>In thousands of naira</i>		
Total liabilities	3,693,000	3,088,667
Less: Cash and Cash equivalents	<u>(237,189)</u>	<u>(802,287)</u>
Adjusted net debt	<u><b>3,455,811</b></u>	<u><b>2,286,380</b></u>
Total Equity	<u><b>3,828,336</b></u>	<u><b>3,507,934</b></u>
Net debt to equity ratio	<b>0.90</b>	0.65

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

Company	2024 N'000	2023 N'000
Total liabilities	3,678,880	3,079,569
Less: Cash and Cash equivalents	(211,680)	(798,037)
Adjusted net debt	<u>3,467,200</u>	<u>2,281,532</u>
Total Equity	<u>3,855,900</u>	<u>3,531,401</u>
Net debt to equity ratio	0.90	0.65

### 30. Leases

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

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

As at 31 December 2024, the Group and Company has ongoing lease arrangement for the right to use of motor vehicles, required for the replacement of aged sales field force vehicles and part of administrative/operations use. The lease expires in 2022; however, management has the intention to exercise the purchase option.

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

#### B. Leases as Lessor

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

The Group and Company has 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.

#### a. Future minimum lease payments

At as 31 December, 2024 there are no future minimum lease receivables under non cancellable lease and each of the leases are one year (2023 : Nil).

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Less than one year	69,942	69,942	69,942	69,942
Between one and five years	19,862	19,862	19,862	19,862
	<u>89,804</u>	<u>89,804</u>	<u>89,804</u>	<u>89,804</u>

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

Investment property lease income recognised for the year is ₦14.8 million (2023 : ₦33 million) and was included in 'Other income' (note 6). Depreciation expense on the investment property was included in 'Expenses' (note 9(b)).

### 31. Provision of Non Audit Services

There is no other services apart form audit services render to the client for the year ended 31 December 2024.

### 32. Contingencies

There is a pending litigation as at 31 December 2024 arising from the litigation case between Sowerscreed Ventures Limited vs the Company where the Claimant has sued on the breach of the outsourced business partnership agreement between the parties. The contingent liabilities in respect of pending litigation based on response from Solicitors was N100 million (2023 : Nil). In the opinion of the Directors and based on the response from the Legal Adviser, no paymnet will be made in respect of the pending litigation.

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### 33. Subsequent events

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

### 34. Operating segments

#### a) Basis of segmentation

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

#### Reportable segments

Paints and allied products  
Contract revenue  
Investment property rental income

#### Operations

Manufacturing, distributing and selling of paints and allied products  
Rendering of painting services  
Investment property rentals

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

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

#### b) Information about reportable segments

##### Group

##### Profit or loss

	Paints and allied products	Contract revenue	Investment property rental income	Unallocated	Total
	N'000	N'000	N'000	N'000	N'000
<b>31 December 2024</b>					
External revenues	10,831,911	122,667	21,592	-	10,976,170
Finance income	-	-	-	41,611	41,611
Finance costs	-	-	-	(32,079)	(32,079)
Depreciation & amortisation	230,469	-	(20,304)	-	210,165
Writeback/ (Impairment loss) on trade receivables	-	-	-	-	78,351
Reportable segment profit/(loss) before taxation	1,018,580	99,406	1,288	9,532	1,128,806

# BERGER PAINTS NIGERIA PLC

## NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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

#### Company

Profit or loss

	Paints and allied products	Contract revenue	Investment property rental income	Unallocated	Total
<b>31 December 2024</b>					
External revenues	10,739,502	30,257	21,592	-	10,791,351
Finance income	-	-	-	41,611	41,611
Finance costs	-	-	-	(32,079)	(32,079)
Depreciation & amortisation	227,688	-	(20,304)	-	207,384
Writeback/ (Impairment loss) on trade receivables	-	-	-	-	78,351
Reportable segment profit /(loss) before taxation	1,115,088	6,996	1,288	9,532	1,132,904
<b>31 December 2023</b>					
External revenues	7,603,703	306,478	33,315	-	7,943,496
Finance income	-	-	-	40,546	40,546
Finance costs	-	-	-	(28,419)	(28,419)
Depreciation & amortisation	(214,869)	-	(20,360)	-	(235,229)
Impairment loss on trade receivables	44,566	-	-	-	-
Reportable segment profit before	677,243	97,457	12,955	12,127	799,782

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

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

##### Revenues

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Profit or loss</b>				
Total profit or loss before taxation for reportable segments	1,119,274	764,189	1,123,372	787,656
Unallocated finance income	41,611	40,546	41,611	40,546
Unallocated finance costs	(32,079)	(28,419)	(32,079)	(28,419)
Profit before taxation	1,128,806	776,316	1,132,904	799,783

##### Other material items

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

##### Major customer

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

# **BERGER PAINTS NIGERIA PLC**

**NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

## **Other National disclosure**

# BERGER PAINTS NIGERIA PLC

## CONSOLIDATED STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group				Company			
		2024	%	2023	%	2024	%	2023	%
Sales	5	10,831,911		7,968,979		10,739,502		7,910,181	
Finance income	7	41,611		53,458		41,611		53,458	
Other income	6	126,807		83,985		126,807		83,985	
		<u>11,000,330</u>		<u>8,106,422</u>		<u>10,907,920</u>		<u>8,047,624</u>	
Bought in materials and services:									
- Imported		(1,440,000)		(440,679)		(1,440,000)		(440,679)	
- Local		(6,990,719)		(5,782,420)		(6,917,284)		(5,712,028)	
Value added		<u>2,569,610</u>	<u>100</u>	<u>1,883,323</u>	<u>100</u>	<u>2,550,636</u>	<u>100</u>	<u>1,894,917</u>	<u>100</u>

### Distribution of value added

#### To Employees:

Personnel expenses	10(a)	1,147,216	45	841,665	45	1,147,216	45	831,486	44
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#### To Providers of Finance:

Interest on loans	7	32,079	1	28,419	2	32,079	1	28,419	1
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#### To Government:

Taxation	11(a)	517,944	20	330,986	18	517,944	20	330,986	17
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#### Retained in the business as:

Depreciation	9(b)	250,760	10	226,046	12	227,688	9	224,352	12
Amortisation	15	10,749	-	10,877	1	10,749	-	10,877	1
To augment reserve		610,862	24	445,330	24	614,960	24	468,797	24
		<u>2,569,610</u>	<u>100</u>	<u>1,883,323</u>	<u>100</u>	<u>2,550,636</u>	<u>99</u>	<u>1,894,917</u>	<u>100</u>

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.



# BERGER PAINTS NIGERIA PLC

## FINANCIAL SUMMARY

31 DECEMBER

	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
<b>Fund employed</b>					
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	<u>3,075,914</u>	<u>2,751,415</u>	<u>2,543,459</u>	<u>2,450,717</u>	<u>2,366,986</u>
<b>Shareholder's fund</b>	<b>3,855,899</b>	3,531,401	3,323,445	3,230,703	3,146,972
Current liabilities	<u>2,835,193</u>	<u>2,056,868</u>	<u>1,690,196</u>	<u>1,439,061</u>	<u>1,328,867</u>
Non current liabilities	<u>843,687</u>	<u>1,022,701</u>	<u>514,887</u>	<u>440,905</u>	<u>496,033</u>
	<u><b>7,534,780</b></u>	<u>6,610,970</u>	<u>5,528,528</u>	<u>5,110,669</u>	<u>4,971,872</u>
<b>Asset employed</b>					
Non current assets	<u>2,982,986</u>	<u>2,897,482</u>	<u>2,883,117</u>	<u>3,064,279</u>	<u>3,212,821</u>
Current assets	<u>4,551,794</u>	<u>3,713,488</u>	<u>2,645,411</u>	<u>2,046,390</u>	<u>1,759,051</u>
	<u><b>7,534,780</b></u>	<u>6,610,970</u>	<u>5,528,528</u>	<u>5,110,669</u>	<u>4,971,872</u>
<b>Profit or loss account</b>					
Revenue	<u>10,739,502</u>	<u>7,910,181</u>	<u>6,331,634</u>	<u>4,964,796</u>	<u>3,837,582</u>
Profit before tax	<u>1,132,904</u>	<u>799,783</u>	<u>387,790</u>	<u>190,761</u>	<u>211,850</u>
Profit for the year	<u>614,960</u>	<u>468,797</u>	<u>208,670</u>	<u>135,635</u>	<u>146,028</u>
Dividend declared		<u>260,841</u>	<u>115,929</u>	<u>115,929</u>	<u>72,456</u>
Basic and diluted earnings per share - (N)	212	162	72	47	50
Interim declared dividend per share (kobo)	20	20	-	-	-
Final dividend declared per share (kobo)	100	80	40	40	25

Earnings per share is calculated based on profit after tax attributable to ordinary shareholders divided by the issued ordinary shares at the end of each financial year.

Net assets is calculated based on the net assets and the number of issued and fully paid ordinary shares at the end of each financial year.