Berger Paints Nigeria Plc
Unaudited Consolidated and Separate Financial Statements
for the year Ended December 31, 2023

Contents

Corporate Information

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

Company Secretary/Legal Adviser Omolara Bello

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

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Email: customercare@bergerpaintnig.com
Website: www.bergerpaintsnig.com

Social Media Accounts Facebook: www.facebook.com/BergerPaintsNigeriaPlc
LinkedIn: www.linkedin.com/company/berger-paints-nigeria-
Twitter: www.twitter.com/BergerPaintsNg
Instagram: www.instagram.com/bergerpaintsnigeriaplc
You Tube: www.youtube.com/channel/UCD_T-Wid299NWbfHxA4rGXg

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

NSE Trading Information

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

Registration Number: RC: 1837

TIN 01335257-0001

FRC Registration Number: FRC/2012/0000000000295

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

Independent Auditor: KPMG Professional Services
KPMG Tower
Bishop Aboyade Cole Street,
Victoria Island, Lagos
Tel: +234 1 271 8955 (or 8599)

Bankers:

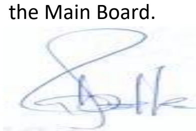
Access Bank Plc	Keystone Bank Limited
Ecobank Nigeria Limited	Polaris Bank Limited
Fidelity Bank Plc	Union Bank of Nigeria Plc
First Bank of Nigeria Limited	United Bank for Africa Plc
First City Monument Bank Limited	Wema Bank Plc
Guaranty Trust Bank Plc	Zenith Bank Plc
Heritage Bank Ltd	Sterling Bank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

Shareholding Structure and Free Float Status

Company Name:	Berger Paint Nigeria PLC
Board Listed:	Main Board
Year End:	31 December
Reporting Period:	31-Dec-23
Share Price at end of reporting period:	N14 (31 Dec 2022: N5.95)

Description	31 December 2023		31 December 2022	
	Unit	**Percentage**	**Unit**	**Percentage**
Issued Share Capital	289,823,447	100.00	289,823,447	100.00
Substantial Shareholdings (5% and above):				
JUREWA INVESTMENTS LIMITED	16,685,111	5.76	16,685,111	5.76
HARMONY TRUST & INVT. CO LTD.	20,000,000	6.90	20,000,000	6.90
ALEMAJE AND COMPANY LIMITED	16,315,506	5.63	16,315,506	5.63
CAB (OVERSEAS HOLDINGS) LIMITED	16,315,506	5.63	16,315,506	5.63
MIKEADE INVESTMENTS LIMITED	19,196,095	6.62	19,196,095	6.62
Total Substantial Shareholdings	**88,512,218**	**30.54**	**88,512,218**	**30.54**
Directors Shareholdings (Direct & Indirect, excluding Directors with Substantial Interests				
MR. AYIDA ABI	625,601	0.22	625,601	0.22
MR. RAJ MANGTANI	-	-	-	-
MR. ADEKUNLE OLUROTIMI OLOWOKANDE	197,965	0.07	197,965	0.07
MRS. OGECHI IHEANACHO	100,000	0.03	-	-
MRS. EREJUWA GBADEBO	-	-	-	-
MRS. AISHA UMAR	-	-	-	-
Total Directors' Shareholdings	**923,566**	**0.32**	**823,566**	**0.29**
FREE FLOAT IN UNITS & PERCENTAGE	**200,387,663**	**69.14**	**200,487,663**	**69.17**
FREE FLOAT IN VALUE (₦)	**2,805,427,282**		**1,192,901,595**	

Declaration: Berger Paints PLC with a free float value of N2,805,427,282 (69.14%) as at 31 December, 2023 (31 December 2022: N1,192,901,595(69.17%)) is compliant with the Nigerian Exchange's free float requirements for companies listed on the Main Board.



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

Company Financial Highlights

In thousands of naira

	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2022	%
Revenue	7,910,181	6,331,634	25
Gross profit	2,593,663	2,005,318	29
Operating profit	881,307	386,021	128
Profit before taxation	777,558	355,579	119
Profit for the period	528,739	208,670	153
Share capital	144,912	144,912	-
Total equity	3,647,653	3,323,443	10
Data per 50k share			
Basic earnings per share (kobo)	182	72	153
Dividend declared (kobo)*	70	40	75
Net assets per share (Naira)	12.59	11.18	13
Market price per share as at period end (Naira)	14.00	5.95	135
Market capitalization as at period end	4,057,536	2,231,645	82
Dividend per 50k share in respect of current period results only			
Interim Dividend declared (kobo)**	20	-	
Final Dividend proposed (kobo)***	-	70	

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

**The Directors approved an interim dividend of 20 kobo during the year (2022: 0 kobo) per share on issued share capital of 289,823,447 (2022: 289,823,447) ordinary shares of 50 kobo each to be ratified by shareholders at the next Annual General Meeting. The dividend has since been paid.

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

Separate and Consolidated Statement of Financial Position

As at 31 December 2023

In thousands of naira	Notes	GROUP 31 Dec 2023	COMPANY 31 Dec 2023	COMPANY 31 Dec 2022
Assets				
Property, plant and equipment	13(a)	2,499,650	2,484,874	2,451,366
Intangible assets	14	17,602	17,602	27,827
Tax assets	11(c)(ii)	123,095	123,095	42,050
Investment property	15	341,515	341,515	361,874
Investment in Subsidiary		-	20,000	-
Total non-current assets		2,981,862	2,987,086	2,883,117
Inventories	16	1,725,243	1,725,243	1,366,787
Trade and other receivables	17(a)	573,466	587,673	243,351
Deposit for imports	18	46,601	46,601	87,925
Prepayments and advances	19	248,928	231,812	91,763
Other financial assets	21	381,394	381,394	359,747
Cash and cash equivalents	20	655,561	651,311	495,838
Total current assets		3,631,192	3,624,034	2,645,411
Total assets		**6,613,058**	**6,611,124**	**5,528,528**
Equity				
Share capital	22(a)	144,912	144,912	144,912
Share premium	22(b)	635,074	635,074	635,074
Retained earnings		2,867,667	2,869,322	2,543,459
Total equity		3,647,653	3,649,308	3,323,445
Liabilities				
Loans and borrowings	25	481,522	481,522	-
Deferred income	24	69,957	69,957	59,005
Deferred taxation	11(e)	455,882	455,882	455,882
Total non-current liabilities		1,007,361	1,007,361	514,887
Loans and borrowings	25	(1,131)	(1,131)	25,131
Current tax liabilities	11(c)	303,907	301,564	14,759
Trade and other payables	23	1,297,915	1,296,669	1,226,474
Deferred income	24	33,037	33,037	33,036
Dividend payable	27	324,316	324,316	390,796
Total current liabilities		1,958,044	1,954,455	1,690,196
Total liabilities		2,965,405	2,961,816	2,205,083
Total equity and liabilities		**6,613,058**	**6,611,124**	**5,528,528**

These financial statements were approved by the Board of Directors on 25 January, 2024 and signed on its behalf by:

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

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

Additionally certified by:

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

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

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

For the year ended 31 December 2023

		QUARTER TO DATE			YEAR TO DATE		
		GROUP	COMPANY	COMPANY	GROUP	COMPANY	COMPANY
In thousands of naira	Notes	3 Mths to 31 Dec 2023	3 Mths to 31 Dec 2023	3 Mths to 31 Dec 2022	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2022
Revenue	5	2,509,246	2,493,401	1,805,034	7,968,979	7,910,181	6,331,634
Cost of sales	9(a)	(1,736,368)	(1,716,163)	(1,193,868)	(5,361,834)	(5,316,518)	(4,326,316)
Gross profit		**772,878**	**777,238**	**611,166**	**2,607,145**	**2,593,663**	**2,005,318**
Other income	6	187,164	187,164	44,399	248,234	248,234	92,534
Selling and distribution expenses	9(a)	(249,013)	(249,013)	(104,539)	(490,776)	(490,547)	(316,082)
Administrative expenses	9(a)	(421,718)	(417,551)	(400,105)	(1,485,729)	(1,470,043)	(1,384,169)
Operating profit before impairment charges		**289,311**	**297,838**	**150,921**	**878,874**	**881,307**	**397,601**
Impairment loss on trade receivables	8	**0**	-	(11,579)	-	-	(11,579)
Operating profit		**289,311**	**297,838**	**139,342**	**878,874**	**881,307**	**386,021**
Finance income	7	(91,227)	(91,227)	8,469	(87,008)	(87,008)	17,319
Finance costs	7	(14,065)	(14,065)	(1,703)	(16,741)	(16,741)	(15,551)
Net finance income		**(105,292)**	**(105,292)**	**6,766**	**(103,749)**	**(103,749)**	**1,768**
Profit before minimum tax		**184,019**	**192,546**	**146,108**	**775,125**	**777,558**	**387,790**
Minimum tax expense	12				-	-	**(32,211)**
Profit before income tax	8	**184,019**	**192,546**	**146,108**	**775,125**	**777,558**	**355,579**
Income tax expense	11(a)	(58,886)	(61,615)	(50,460)	(248,040)	(248,819)	(146,909)
Profit for the period		**125,133**	**130,931**	**95,648**	**527,085**	**528,739**	**208,670**
Other comprehensive income							
Other comprehensive income for the period			-	-		-	-
Total comprehensive income for the period		**125,133**	**130,931**	**95,648**	**527,085**	**528,739**	**208,670**
Earnings per share:							
Basic and diluted earnings per share (kobc	12	43	45	33	182	182	72

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

In thousands of naira

	Note	Share capital	Share premium	Retained earnings	Total equity
GROUP					
Balance at 1 January 2023		**144,912**	**635,074**	**2,543,459**	**3,323,445**
Comprehensive income for the period					
Profit for the period		-	-	527,085	527,085
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	527,085	527,085
Transactions with owners, recorded directly in equity					
Dividend		-	-	(202,876)	(202,876)
Total transactions with owners		-	-	(202,876)	(202,876)
Balance at 31 December, 2023		**144,912**	**635,074**	**2,867,668**	**3,647,653**
COMPANY					
Balance at 1 January 2023		**144,912**	**635,074**	**2,543,459**	**3,323,445**
Comprehensive income for the period					
Profit for the period		-	-	528,739	528,739
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	528,739	528,739
Transactions with owners, recorded directly in equity					
Dividend	27	-	-	(202,876)	(202,876)
Total transactions with owners		-	-	(202,876)	(202,876)
Balance at 31 December 2023		**144,912**	**635,074**	**2,869,322**	**3,649,308**
COMPANY					
Balance at 1 January 2022		**144,912**	**635,074**	**2,450,718**	**3,230,705**
IFRS transition adjustment (net of tax)				-	-
Adjusted balance at 1 January, 2022		**144,912**	**635,074**	**2,450,718**	**3,230,705**
Comprehensive income for the period					
Profit for the period		-	-	208,670	208,670
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	208,670	208,670
Transactions with owners, recorded directly in equity					
Dividend	27	-	-	(115,929)	(115,929)
Total transactions with owners		-	-	(115,929)	(115,929)
Balance at 31 December 2022		**144,912**	**635,074**	**2,543,460**	**3,323,445**

Consolidated and Separate Statement of Cash Flows

For the year ended 31 December 2023

In thousands of naira

	Note	2023 GROUP 12 Mths to 31 Dec 2023	COMPANY 12 Mths to 31 Dec 2023	COMPANY 12 Mths to 31 Dec 2022
Cash flows from operating activities				
Profit for the period		527,085	528,739	208,670
Adjustments for:				
- Depreciation	9(b)	165,495	164,036	239,541
- Amortisation	14	10,877	10,877	8,325
- Finance income	7	87,008	87,008	(17,319)
- Finance cost	7	113,028	113,028	3,972
- Gain on sale of property, plant and equipment	8	(18,514)	(18,514)	-
- Taxation	11(a)	248,040	248,819	179,120
		1,133,019	1,133,993	622,309
Changes in:				
- Inventories		(358,456)	(358,456)	(200,171)
- Trade and other receivables	17(c)	(425,216)	(440,661)	45,618
- Deposit for imports		41,324	41,324	(85,251)
- Prepayments and advances	19(a)	(221,095)	(221,094)	(77,347)
- Trade and other payables	23(c)	68,949	70,195	307,689
- Deferred income		10,953	10,953	(28,006)
Cash generated from operating activities		249,479	236,254	584,841
WHT credit notes utilised	11(c)	52,746	52,746	-
Tax paid	11(c)	(14,759)	(14,759)	(13,323)
Net cash generated from operating activities		287,466	274,241	571,519
Cash flows from investing activities				
Purchase of property plant and equipment	13(g)	(188,104)	(177,137)	(44,773)
Acquisition of Intangible assets		(652)	(652)	-
Proceeds from sale of property, plant and equipment		18,514	18,514	-
Interest income on other financial assets	7	(87,008)	(87,008)	732
Additions to investment in financial assets	22	(21,647)	(21,647)	(27,389)
Investment in Subsidiary		(20,000)	(20,000)	-
Net cash used in investing activities		(298,897)	(287,930)	(71,430)
Cash flows from financing activities				
Additions to loans and borrowings	25(b)	481,522	481,522	-
Repayment of borrowings	26(b)	(26,262)	(26,262)	(126,652)
Interest paid		(16,741)	(16,741)	(6,687)
Dividend paid	27	(269,356)	(269,356)	(88,540)
Net cash used in financing activities		169,163	169,163	(221,879)
Net decrease in cash and cash equivalents		157,732	155,474	278,210
Cash and cash equivalents at 1 January		497,830	495,838	217,629
Cash and cash equivalents at 31 **December 2023**	20	655,561	651,311	495,839

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Notes to the Consolidated and Seperate financial statements
For the year ended 31 December 2023

Notes to the Consolidated and Seperate financial statements
For the year ended 31 December 2023

1 Reporting Entity

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

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

2 Basis of Preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011. The 2023 Unaudited financial statements were authorised for issue by the Board of Directors on 25 January, 2024.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:
-Non-derivative financial instruments initially measured at fair value and subsequently measured at amortised cost.
-Government grant (recognised as deferred income) measured at fair value.

- Inventories: Lower of cost and net realisable value.

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgment

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

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

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

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

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

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

(e) Measurement of fair values

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

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

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

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

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

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

3 Changes in significant accounting policies

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

A. IFRS 16 Leases

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

(a) Definition of a lease

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

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

(b) As a Lessee

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

Leases classified as finance leases under IAS 17

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

Notes to the Consolidated and Seperate financial statements
For the year ended 31 December 2023

Leases classified as operating leases under IAS 17

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

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

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

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

(c) As a Lessor

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

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

B. IFRIC 23 Uncertainty over Income Tax treatments

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

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

4 Significant Accounting Policies

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

Notes to the Consolidated and Seperate financial statements

For the year ended 31 December 2023

A. Foreign currency transactions

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

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

B. Financial instruments

i. Recognition and initial measurement

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

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

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

ii. Classification and subsequent measurement

Financial assets

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

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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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.

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Financial Assets- Assessment whether contractual cash flows are solely payments of principal and interest:
For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.
In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features).

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

Financial assets- Subsequent measurement and gains and losses

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

Financial liabilities- Classification, subsequent measurement and gains and losses

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

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

(iv) Derecognition and offsetting

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

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.
On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

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

C. Capital and other reserves

i. Share capital

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

ii. Share premium

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

iii. Retained earnings

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

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

D. Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

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

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E. Intangible assets

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

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

Purchased software are recognised as assets if there is sufficient certainty that future economic benefits associated with the item

will flow to the entity. Amortisation is calculated using the straight-line method over three (3) years.
The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Internally generated intangible assets

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

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

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

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

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and

accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

F. Investment property

i. **Recognition and measurement**

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

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

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

ii. **Subsequent expenditure**

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

iii. **Depreciation**

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

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

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

• Buildings	–	20 years
• Leasehold land	–	Unlimited

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

iv. **Transfers**

Transfers to, or from, investment property are made when there is a change in use, evidenced by:
- commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- commencement of development with a view to sale, for a transfer from investment property to inventories;
- end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- commencement of an operating lease to another party, for a transfer from inventories to investment property.

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

G. Impairment

Non-derivative financial assets

i. Financial instrument

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.
The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.
The Company considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 60 days past due.

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

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

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

ii Measurement of ECLs

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

iii Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 60 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

v Write off

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

H. Contingent liabilities and contingent assets

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

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

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

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

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

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I. Provisions

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

J. Employee benefits

i. Defined contribution plan

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

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

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

ii. Short-term employee benefits

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

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

iii. Termination benefits

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

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

K. Inventories

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

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

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

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L. Revenue by nature

(i) Revenue from contract with customers

a Sale of paints and allied products

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

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

b Contract services - supply and apply services contract

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

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

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

(ii) Investment property rental income

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

M. Finance income and finance costs

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

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

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

N. Government grant

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

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

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

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

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O. Taxation

Income tax

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

(a) Current tax

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

(b)Deferred tax

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

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

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

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

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

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

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

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(c) Minimum tax expense

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

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

P. Earnings per share

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

Q. Leases

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

Policy applicable from 1 January 2019

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

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

i. As a lessee

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

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

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

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

The lease liability is measured at armotised 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 wether 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.

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.

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ii. Leased assets

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

iii. Lease payments

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

R. Statement of cashflows

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

S. Operating Segment

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

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

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

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

T. Dividends

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

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

U. Prepayments and advances

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

V. Deposit for imports

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

W. Investment in subsidiary

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

Notes to the Consolidated and Seperate financial statements

For the year ended 31 December 2023

X. Related parties

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

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

Y. New standards and interpretations not yet adopted

Standards issued but not yet effective

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

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

Z. Standards, Interpretations effective from 1 January 2019

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

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

Notes to the Consolidated and Seperate financial statements
For the year ended 31 December 2023

5 Revenue

(a) Revenue stream for the period comprises:

In thousands of naira	Recognition policy	GROUP 12 Mths to 31 Dec 2023	COMPANY 12 Mths to 31 Dec 2023	COMPANY 12 Mths to 31 Dec 2022
(i) Revenue from contract with customers				
- Sale of paints and allied products*	At a point in time	7,603,551	7,603,551	6,198,304
- Contract services	Over time	365,276	306,478	133,330
(ii) Revenue from leases of investment property		152	152	-
		7,968,979	**7,910,181**	**6,331,634**

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

In thousands of naira	GROUP 12 Mths to 31 Dep 2023	COMPANY 12 Mths to 31 Dep 2023	COMPANY 12 Mths to 31 Dep 2022
Revenue (net of value added tax)	9,265,392	9,265,392	7,544,251
Discounts and rebates	(1,661,841)	(1,661,841)	(1,345,947)
	7,603,551	**7,603,551**	**6,198,304**

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

(b) Contract balances

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

In thousands of naira	31-Dec-23	31-Dec-23	31 December 2022
Billed receivables in respect of sales of paints and allied products	300,956	285,511	229,919
Unbilled receivables in respect of contract services	89,804	89,804	2,591
Trade receivables (Note 18(a))	390,760	375,315	232,510

6 Other income

Other income comprises:

In thousands of naira	31-Dec-23	31-Dec-23	31 December 2022
Sale of Scrap	24,972	24,972	18,766
Income on property leases*	38,065	38,065	43,134
Profit from disposal of property, plant and equipment	18,514	18,514	-
Insurance claims received	184	184	9,336
Income from enrolment of new distributors	166,499	166,499	21,298
	248,234	**248,234**	**92,534**

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

Notes to the Consolidated and Seperate financial statements
For the year ended 31 December 2023

7 Finance income and finance cost

Recognised in profit or loss:

In thousands of naira	GROUP 31 December 2023	COMPANY 31 December 2023	COMPANY 31 December 2022
Interest income on bank deposits	(1)	(1)	732
Interest income on other financial assets	9,332	9,332	14,750
Foreign currency gain	(96,339)	(96,339)	(617)
Net gain on financial liabilities measured at amortised costs	-	-	2,454
Total finance income	**(87,008)**	**(87,008)**	**17,319**
Interest expense on borrowings	(16,741)	(16,741)	
Foreign currency loss	-	-	-
Interest expense on lease liabilities	-	-	(3,011)
Interest expense on financial liabilities measured at amortised costs.	-	-	(12,540)
Total finance cost	**(16,741)**	**(16,741)**	**(15,551)**
Net finance income recognised in profit or loss	**(103,749)**	**(103,749)**	**1,768**

8 Profit before income tax

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

In thousands of naira	Note	31 December 2023	31 December 2023	31 December 2022
Directors' emoluments	9(a)	95,300	95,300	56,648
Depreciation	9(b)	165,495	164,036	239,541
Amortisation	14	10,877	10,877	8,325
Personnel expenses	10(a)	832,112	832,112	762,878
Auditors' remuneration	9(a)	42,266	40,016	20,996
Impairment loss on trade receivables	18(b)	(150,460)	(150,460)	11,579
Minimum tax	12	-	-	32,211
Profit on disposal of property, plant and equipment	6	(18,514)	(18,514)	-

9 (a) Expenses

(i) Analysis of expenses by nature

In thousands of naira	Note	31 December 2023	31 December 2023	31 December 2022
Directors emoluments	10(d)	95,300	95,300	56,648
Personnel expenses	10(a)	832,112	832,112	762,878
Training expenses		444	444	1,340
Repairs and maintenance		138,323	138,323	101,424
Office and corporate expenses		163,078	148,851	72,256
License and permits		41,931	41,931	29,257
Utilities		192,447	192,447	116,782
Insurance		53,687	53,687	22,295
Travel, transport and accommodation		162,434	162,434	96,416
Rent, rate and levies		1,997	1,997	1,544
Subscriptions and donations		17,225	17,225	5,368
Donations		-	-	694
Depreciation	9(b)	165,495	164,036	239,541
Amortisation	14	10,877	10,877	8,325
Printing and stationery		6,476	6,476	26,495
Legal and professional services fees		70,734	70,734	96,798
Auditors' remuneration		40,016	40,016	23,000
Bank charges		16,729	16,729	11,472
Advertisement and publicity expenses		122,577	122,348	76,865
Distribution expenses		370,629	370,629	250,796
Raw materials and consumables		4,626,806	4,581,490	3,939,360
Contract services expenses		209,021	209,021	98,592
		7,338,339	**7,277,108**	**6,038,146**

Notes to the Consolidated and Seperate financial statements
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In thousands of naira	Note	31 December 2023	31 December 2023	31 December 2022
Summarised as follows:				
(ii) Cost of sales		5,361,834	5,316,518	4,326,316
Selling and distribution expenses		490,776	490,547	327,661
Administrative expenses		1,485,729	1,470,043	1,384,169
Total cost		**7,338,339**	**7,277,108**	**6,038,146**

(b) Depreciation

In thousands of naira	Note	31 December 2023	31 December 2023	31 December 2022
Depreciation charged for the perod comprises:				
Depreciation of property, plant and equipment	13	145,136	143,677	167,524
Depreciation of investment property	15	20,359	20,359	15,270
Total depreciation		**165,495**	**164,036**	**182,794**

10 Personnel expenses

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

In thousands of naira	31 December 2023	31 December 2023	31 December 2022
Salaries, wages and allowances	780,418	780,418	719,005
Employer contribution to compulsory pension fund scheme	51,694	51,694	43,873
	832,112	832,112	762,878

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

₦		₦	31 December 2023	31 December 2023	31 December 2022
				Number	Number
1	-	500,000	-	-	-
500,001	-	1,000,000	-	-	-
1,000,001	-	1,500,001	11	11	9
1,500,001	-	2,000,001	21	21	23
2,000,001	-	3,000,001	48	48	48
3,000,001	and	above	50	50	47
			130	130	127

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

	31 December 2023	31 December 2023	31 December 2022
		Number	Number
Production	20	20	20
Sales and marketing	44	44	41
Finance	9	9	9
Human Resource	12	12	12
Maintenance	6	6	6
Admin/Corporate	6	6	6
Logistics & Supply Chain	4	4	4
Internal Control	15	15	15
Information Technology (IT)/CSR	2	2	2
Technical & Quality Assurance	5	5	5
Risk Management	7	7	7
	130	130	127

Notes to the Consolidated and Seperate financial statements
For the year ended 31 December 2023

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

	GROUP	COMPANY	COMPANY
In thousands of naira	**31 December 2023**	**31 December 2023**	**31 December 2022**
Fees paid to non-executive directors	59,949	59,949	56,648
Salaries	35,351	35,351	31,744
	95,300	95,300	88,392

The directors' remuneration shown above includes:

In thousands of naira	**31 December 2023**	**31 December 2023**	**31 December 2022**
Chairman		7,500	7,500
Highest paid director		35,351	31,744

Other directors received emoluments in the following ranges:

₦		₦	**31 December 2023**	**31 December 2023**	**31 December 2022**
				Number	Number
250,001	-	1,000,000	-	-	-
1,000,001	-	3,000,000	-	-	-
3,000,001	-	5,000,000	5	5	5
5,000,001	-	8,000,000	-	-	-
			5	5	5

11 Taxation

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

In thousands of naira	**31 December 2023**	**31 December 2023**	**31 December 2022**
Current tax expense:			
Company income tax	234,046	233,267	146,909
Tertiary education tax	15,551	15,551	32,211
	249,597	248,819	179,120
Deferred tax expense/(credit):			
Origination and reversal of temporary differences (Note 11(e))		-	-
Income tax expense	**249,597**	**248,819**	**179,120**

(b) Reconciliation of effective tax rate:

		GROUP	COMPANY		COMPANY
In thousands of naira	%	31 December 2023	31 December 2023	%	31 December 2022
Profit for the period		527,085	528,739		208,670
Taxation		248,040	248,819		146,909
Profit before taxation		775,125	777,558		355,579
Income tax using the Company's domestic ra	30	232,489	233,267	30	106,674
Tertiary education tax @ 2%	2	15,551	15,551	2	40,235
Tax expense	17	248,040	248,819	41	146,909

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

i. **Current tax liabilities**

In thousands of naira	31 December 2023	31 December 2023	31 December 2022
Balance as at 1 January	14,759	14,759	8,622
Current period charge	248,040	248,819	14,759
Minimum tax charge	-	-	32,211
Cash payments	(14,759)	(14,759)	(13,323)
WHT credit notes utilised	52,746	52,746	(27,510)
Balance as at period end (A)	300,786	301,564	14,759
ii. **WHT credit notes**			
Balance as at 1 January	42,050	42,050	20,120
Net WHT credit recovered	-	-	-
Additions	28,299	28,299	49,440
Transfer from prepayment and advances (Note 20)	-	-	-
WHT credit notes utilised	52,746	52,746	(27,510)
Balance as at period end (B)	123,095	123,095	42,050
Total current tax liabilities as at period end (A+B)	177,690	178,469	27,291

Notes to the Consolidated and Seperate financial statements
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(e) Movement in deferred taxation
In thousands of naira

	Balance at 1 January	Tax Impact of IFRS 9 transition Adjustment	Recognised in profit or loss	Net	Deferred tax assets	Deferred tax liabilities
GROUP						
31 December 2023						
Property, plant and equipment	**528,587**	-	-	**528,587**	-	**528,587**
Allowance on trade receivable	**(59,822)**	-	-	**(59,822)**	**(59,822)**	-
Right of use assets	-	-	-	-	-	**(1)**
Provision for gratuity discontinued	**(713)**	-	-	**(713)**	**(713)**	-
Provision for slow moving inventories	**(11,969)**	-	-	**(11,969)**	**(11,969)**	-
Unrealised exchange losses/(gain)	**(201)**	-	-	**(201)**	-	**(201)**
Available-for-sale financial assets - net	-	-	-	-	-	-
				-		
Net tax (assets)/ liabilities	**455,882**	-	-	**455,882**	**(72,504)**	**528,386**
COMPANY						
31 December 2023						
Property, plant and equipment	528,587	-	-	528,587	-	528,587
Allowance on trade receivable	(59,822)	-	-	(59,822)	(59,822)	-
Right of use assets	-	-	-	-	-	(1)
Provision for gratuity discontinued	(713)	-	-	(713)	(713)	-
Provision for slow moving inventories	(11,969)	-	-	(11,969)	(11,969)	-
Unrealised exchange losses/(gain)	(201)	-	-	(201)	-	(201)
Net tax (assets)/ liabilities	455,882	-	-	455,882	(72,504)	528,386
COMPANY						
31 December 2022						
Property, plant and equipment	390,099	-	138,488	528,587	-	528,587
Allowance on trade receivable	(54,703)	-	(5,119)	(59,822)	(59,822)	-
Right of use assets	14,012	-	(14,012)	-	-	-
Provision for gratuity discontinued	(713)	-	-	(713)	(713)	-
Provision for slow moving inventories	(24,963)	-	12,994	(11,969)	(11,969)	-
Unrealised exchange losses/(gain)	-	-	(201)	(201)	-	0
Net tax (assets)/ liabilities	323,732	-	132,150	455,882	(72,504)	528,587

12 Basic and diluted earnings per share

Basic earnings per share of 182 kobo (31 December 2022: 72 kobo) is based on the profit for the period of ₦ million (31 December 2022: ₦208.6 million) and on 289,823,447 (2022: 289,823,447) ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue during the period.
Basic earnings per share is the same as diluted earnings per share.

Notes to the Consolidated and Seperate financial statements
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13 Property Plant and equipment
GROUP
(a) The movement on these accounts was as follows:
In thousands of naira

	Note	Leasehold Land N'000	Buildings N'000	Plants and Machinery N'000	Furniture and fittings N'000	Motor Vehicles N'000	Computer Equipment N'000	Motor Vehicles under Lease N'000	Capital work-in progress N'000	TOTAL N'000
Cost										
Balance at 1 January 2022		390,000	1,310,200	1,544,573	65,747	148,795	166,785	182,405	-	3,808,505
Additions		-	3,160	15,713	3,508	16,586	5,806	-	-	44,773
Transfer		-	-	-	-	-	-	-	-	-
Reclasification to intangible assets		-	-	-	-	-	-	-	-	-
Disposals/write-off		-	-	-	-	-	-	-	-	-
Balance at 31 December 2022		390,000	1,313,360	1,560,286	69,255	165,381	172,591	182,405	-	3,853,278
Balance at 1 January 2023		390,000	1,313,360	1,560,286	69,255	165,381	172,591	182,405	-	3,853,278
Additions		-	-	53,980	4,538	(24,204)	8,496	-	106,189	148,999
Swift Painting			14,776							14,776
Transfer		-	-	-	-	-	-	-	-	-
Reclasification to intangible assets		-	-	-	-	-	-	-	28,138	28,138
Disposals		-	-	-	-		-	-	-	-
Balance at 31 December 2023		390,000	1,313,360	1,588,510	71,141	141,177	178,120	182,405	134,327	4,045,191
Accumulated depreciation										
Balance at 1 January 2022		78,081	366,724	356,852	48,992	133,737	107,351	131,705	-	1,223,442
Charge for the year	9(b)	-	65,668	75,576	6,932	8,319	21,927	-	-	178,422
Disposals		-	-	-	-	-	-	-	-	-
Balance at 31 December 2022		78,081	432,392	432,428	55,924	142,056	129,278	131,705	-	1,401,864
Balance at 1 January 2023		78,081	432,392	432,428	55,924	142,056	129,278	131,705	-	1,401,864
Charge for the period	9(b)	-	70,752	43,652	2,926	16,238	10,109	-	-	143,677
Disposals		-	-	-	-	-	-		-	-
Balance at 31 December 2023		78,081	485,456	461,060	61,028	152,675	135,207	131,705	-	1,545,541
Carrying amounts										
At 31st December 2022		311,919	880,968	1,127,858	13,331	23,325	43,313	50,700	-	**2,451,414**
At 31 December 2023		311,919	827,904	1,127,450	10,113	(11,498)	42,913	50,700	-	**2,499,650**

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COMPANY

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

	Note	Leasehold Land N'000	Buildings N'000	Plants and Machinery N'000	Furniture and fittings N'000	Motor Vehicles N'000	Computer Equipment N'000	Motor Vehicles under Lease N'000	Capital work-in progress N'000	TOTAL N'000
Cost										
Balance at 1 January 2022		390,000	1,310,200	1,544,573	65,747	148,795	166,785	182,405	-	3,808,505
Additions		-	3,160	15,713	3,508	16,586	5,806	-	-	44,773
Transfer		-	-	-	-	-	-	-	-	-
Reclasification to intangible assets		-	-	-	-	-	-	-	-	-
Disposals/write-off		-	-	-	-	-	-	-	-	-
Balance at 31 December 2022		390,000	1,313,360	1,560,286	69,255	165,381	172,591	182,405	-	3,853,278
Balance at 1 January 2023		390,000	1,313,360	1,560,286	69,255	165,381	172,591	182,405	-	3,853,278
Additions		-	-	53,980	4,538	(24,204)	8,496	-	106,189	148,999
Transfer		-	-	-	-	-	-	-	-	-
Reclasification to intangible assets		-	-	-	-	-	-	-	28,138	28,138
Disposals		-	-	-	-		-	-	-	-
Balance at 30 December 2023		390,000	1,313,360	1,614,266	73,793	141,177	181,087	182,405	134,327	4,030,415
Accumulated depreciation										
Balance at 1 January 2022		78,081	366,724	356,852	48,992	133,737	107,351	131,705	-	1,223,442
Charge for the year	*9(b)*	-	65,668	75,576	6,932	8,319	21,927	-	-	178,422
Disposals		-	-	-	-	0	-	-	-	0
Balance at 31 December 2022		78,081	432,392	432,428	55,924	142,056	129,278	131,705	-	1,401,864
Balance at 1 January 2023		78,081	432,392	432,428	55,924	142,056	129,278	131,705	-	1,401,864
Charge for the period	*9(b)*	-	70,752	43,652	2,926	16,238	10,109	-	-	143,677
Disposals		-	-	-	-	-	-		-	-
Balance at 30 December 2023		78,081	503,144	476,080	58,850	158,294	139,387	131,705	-	1,545,541
Carrying amounts										
At 31st December 2022		311,919	880,968	1,127,858	13,331	23,325	43,313	50,700.00	-	**2,451,414**
At 30 December 2023		311,919	810,216	1,138,186	14,943	(17,117)	41,700	50,700	134,327	**2,484,874**

Notes to the Consolidated and Seperate financial statements
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(b) **Assets pledged as security**
No asset of the Company was pledged as security for loan as at 31 December, 2023 (December 2022: Nil)

(c) **Impairment of property, plant and equipment**
No impairment loss was recognised for the period (December 2022: Nil).

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

	GROUP	**COMPANY**	**GROUP**	**COMPANY**
In thousands of naira	**31 December 2023**	**31 December 2023**	**31 December 2022**	**31 December 2022**
Approved and contracted	177,137	177,137	104,096	104,096
Approved but not contracted	378,224	378,224	283,801	283,801
	555,361	555,361	387,897	387,897

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

There are no property, plant and equipment under construction (September 2022:Nil)

In thousands of naira	**31 December 2023**	**31 Dec 2023**	**31 December 2022**	**31 December 2022**
Plant and machinery		-		-
		-		-

(f) **Right of use assets**
Right of use assets comprises leasehold land and motor vehicles under finance leases.

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

Notes to the Consolidated and Seperate financial statements
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(g) **Additions in statement of cash flows**

In thousands of naira	**31 December 2023**	**31 December 2023**	**31 December 2022**	**31 December 2022**
Additions (Note 13(a))	177,137	177,137	44,773	44,773
Additions to Right of Use assets (Motor vehicles under lease)	-	-	-	-
Accrued additions to PPE (Note 24(c))	-	-	-	-
Borrowing cost capitalised	-	-	-	-
	177,137	177,137	44,773	44,773

14 **Intangible assets**

In thousands of naira	***Note***	**Computer Software**	**Intangible assets under development**	**Total**
GROUP				
Cost				
Balance at 1 January 2022		108,948	-	72,796
Additions		-	-	8,325
Reclassification from property, plant & equipment		-		-
Disposals				-
Balance at 31 December 2022		108,948	-	81,121
Balance at 1 January 2023		108,948	-	81,121
Additions		652	-	27,826
Reclassification from property, plant & equipment	*14(a)*	-	-	-
Balance at 31 December 2023		109,600	-	108,947
Accumulated amortisation				
Balance at 1 January 2022		80	-	72,796
Charge for the year	*9(a)*	8,325	-	8,325
Transfers				-
Disposals				-
Balance at 31 December 2022		8,405	-	81,121
Balance at 1 January 2023		81,121	-	81,121
Charge for the period	*9(a)*	10,877	-	8,159
Balance at 31 December 2023		91,998	-	89,280
Carrying amounts				
At 31 December 2022		27,827	-	-
At 30 December 2023		**17,602**	-	**19,667**

Notes to the Consolidated and Seperate financial statements
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COMPANY				
Cost				
Balance at 1 January 2022		108,948	-	108,948
Additions		-	-	-
Reclassification from property, plant & equipment		-		-
Balance at 31 December 2022		108,948	-	108,948
Balance at 1 January 2023		108,948	-	108,948
Additions		652	-	652
Reclassification from property, plant & equipment	*14(a)*	-	-	-
Balance at 31 December 2023		109,600	-	109,600
Accumulated amortisation				
Balance at 1 January 2022		80	-	80
Charge for the year	*9(a)*	8,325	-	8,325
Balance at 31 December 2022		8,405	-	8,405
Balance at 1 January 2023		81,121	-	81,121
Charge for the period	*9(a)*	10,877	-	10,877
Balance at 31 December 2023		91,998	-	91,998
Carrying amounts				
At 31 December 2022		27,827	-	100,543
At 31 December 2023		17,602	-	17,602

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

Intangible assets amortisation charged to profit or loss for the period amounts to ₦10.8million (30 December 2022: ₦8.3.million) and is included as part of administrative expenses.

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

Notes to the Consolidated and Seperate financial statements
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15 Investment property

The movement on this account was as follows:

	GROUP	COMPANY	COMPANY
In thousands of naira	**31 December 2023**	**31 December 2023**	**31 December 2022**
Cost			
Balance at 1 January	604,468	604,468	604,468
Balance at 31 December	604,468	604,468	604,468
Accumulated depreciation			
Balance at 1 January	242,594	242,594	222,234
Charge for the period	20,359	20,359	20,360
Balance at 31 December	262,953	262,953	242,594
Carrying amounts at period ended	341,515	341,515	361,874

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

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

Rental income generated from investment property recognised during the period was Nil (30 September 2022: Nil).

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

Depreciation of ₦10.18 million (31 December 2022: ₦15.27 million) charged on investment property for the period was included in admin expenses

The fair value of the investment property as at period end is ₦2.42 billion (31 December 2022: ₦2.42 billion). The fair value was determined by an external, independent property valuer (Ubosi Eleh and Co.) with Financial Reporting Council of Nigeria (FRC) No: FRC/2015/NIESV/00000003997. The fair value measurement of investment property has been categorised as a Level 2 fair value based on the input to the valuation techniques used. The direct market comparison and depreciated replacement cost method was used in determining the fair value of the investment property.

16 Inventories

In thousands of naira

	31 December 2023	31 December 2023	31 December 2022
Raw and packaging materials	1,279,700	1,279,700	955,795
Finished products	423,254	423,254	401,446
Product-in-process	10,423	10,423	11,570
Consumable spare parts	28,972	28,972	34,802
Goods in transit	4,929	4,929	-
	1,747,278	1,747,278	1,403,613
Impairment allowance	6,405	6,405	(36,826)
Inventory provision - Raw Material	(28,440)	(28,440)	
	1,725,243	1,725,243	1,366,787

The value of raw and packaging materials, changes in finished products and products in process consumed during the period and recognised in cost of sales amounted to ₦4.5 billion (31 December 2022 :₦3.8 billion).

Notes to the Consolidated and Seperate financial statements
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17 Trade and other receivables comprises:

Trade and other receivables comprises:

(a) *In thousands of naira*	GROUP 31 December 2023	COMPANY 31 December 2023	COMPANY 31 December 2022
Trade receivables (Note 5(b))	390,760	375,315	229,919
Lease receivable	89,804	89,804	83,688
Staff debtors	1,760	1,760	1,267
Deposit with Company registrar	81,036	81,036	81,036
Contract assets	1,772	1,772	2,591
Other receivables	47,441	30,325	5,056
Receivable from related party	(0)	29,652	23,827
Total trade and other receivables	612,573	609,664	427,384
Impairment allowance	(21,991)	(21,991)	(184,030)
Carrying amount as at period ended	590,582	587,673	243,351

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

(b)

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

In thousands of naira	31 December 2023	31 December 2023	31 December 2022
Balance at 1 January under IAS 39	172,451	172,451	99,674
Adjustment on initial application of IFRS 9	0	-	5,427
Balance at 1 January	172,451	172,451	172,451
Net impairment loss recognised	(150,460)	(150,460)	-
Balance at 31 December 2023	21,991	21,991	172,451

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

In thousands of naira	31 December 2023	31 December 2023	31 December 2022
Movement in trade and other receivables	(344,322)	(344,322)	23,498
Exchange gain	(96,339)	(96,339)	-
Changes in trade and other receivables per statement of cash flows	(440,661)	(440,661)	23,498

18 Deposit for imports

The deposit for imports represents amounts deposited with banks to fund letters of credit. These letters of credit are meant to finance the importation of raw materials. The total value of deposit for imports as at 31 December 2023 amounted to ₦47.6 million (31 December 2022: ₦87.9 million).

19 Prepayments and advances

Prepayments and advances comprises:

In thousands of naira	31 December 2023	31 December 2023	31 December 2022
Prepaid rent	-	-	-
Advance payment to suppliers	85,748	85,748	43,470
WHT receivables (Note 11(c)ii)	22,226	22,226	7,041
Prepaid insurance and others	79,317	62,201	41,252
Pre- Operating Exp. Capitalized	61,636	61,636	
	248,927	231,812	91,763

There were no non-current prepayments and advances made at period-end (31 December 2022: Nil).

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

In thousands of naira

	31 December 2023	31 December 2023	31 December 2022
Movement in prepayment and advances	(157,164)	(140,049)	(52,167)
WHT credit notes previously impaired, now recovered	-	-	-
Movement in WHT credit notes	(81,045)	(81,045)	(48,879.00)
Changes in prepayments and advances per statement of cash flows	(238,209)	(221,094)	(101,046)

20 Cash and cash equivalents

Cash and cash equivalents comprises:

In thousands of naira	31 December 2023	31 December 2023	31 December 2022
Cash on hand	69	69	195
Balance with banks	655,491	651,242	495,643
Cash and cash equivalents	**655,560**	**651,311**	**495,838**

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

21 Other financial assets

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

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

	31 December 2023	31 December 2023	31 December 2022
At 1 January	359,747	359,747	317,608
Additions	13,810	13,810	27,389
Interest income	9,332	9,332	14,750
At 31 December 2023	**382,889**	**381,394**	**359,747**

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

22 Capital and reserves

(a) Ordinary shares as at 30 December 2023

In thousands of naira	31 December 2023	31 December 2023	31 December 2022
Authorised 800,000,000 ordinary shares of 50k each		400,000	400,000
Issued and fully paid 289,823,447 ordinary shares of 50k each		144,912	144,912

(b) Share premium

In thousands of naira	31 December 2023	31 December 2023	31 December 2022
At 1 January		635,074	635,074
At 31 December 2023		635,074	635,074

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23 Trade and other payables

(a) Trade and other payables comprises:

In thousands of naira	31 December 2023	31 December 2023	31 December 2022
Trade payables	181,299	180,053	460,900
Customer deposits for paints	467,630	467,630	19,985
Value Added Tax payable	40,166	40,166	14,916
Withholding Tax payable	62,097	62,097	36,936
Related party payables (Note 28 (a))	-	-	12,510
PAYE payable	83,428	83,428	21,919
Pension payable (Note (b))	3,081	3,081	5,964
Other non-income taxes	-	-	29,477
Contract liabilities	-	-	-
Accruals	473,377	473,377	172,676
Other payables	(9,575)	(13,163)	31,514
	1,301,503	1,296,669	806,797

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

(b) ***Pension payable***

In thousands of naira	31 December 2023	31 December 2023	31 December 2022
Balance at 1 January	5,964	5,964	9,382
Charge for the year	13,706	13,706	13,171
Remittances	(16,589)	(16,589)	(16,589)
Balance at 31 December	3,081	3,081	5,964

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

In thousands of naira	31 December 2023	31 December 2023	31 December 2022
Movement in trade and other payable	70,168	70,168	(112,015)
Impact of accrued additions to PPE (Note 13(g))		-	-
Changes in trade and other payables per statement of cash flows	70,168	70,168	(112,015)

24 Deferred income

Deferred income comprises:

In thousands of naira	31 December 2023	31 December 2023	31 December 2022
Government grant (note (a))	65,968	65,968	68,422
Lease income received in advance	37,026	37,026	36,148
Deferred income	102,994	102,994	104,570
Non-current	69,957	69,957	71,533
Current	33,037	33,037	33,037
	102,994	102,994	104,570

(a) Government grant arises as a result of the benefit received from below-market-interest rate government assisted loans, obtained from the Bank of Industry to purchase items of buildings and plant &machinery for the installation of the automated water based paint production factory. The production plant was completed and became available for use on 30 December, 2019. The grant will be amortised on a systematic basis over the average useful life of the components of the items of buildings and plant & machinery.
No unwinding of the government grant has been recognised in profit or loss for the period ended 31 December 2023 (31 December 2022: Nil)

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25 Loans and borrowings
In thousands of naira

31 December 2023	Non-current liabilities	Current liabilities	Total
Bank of Industry loan - Fidelity	-	(1,131)	(1,131)
Bank of Industry loan - FCMB	481,522	-	481,522
Development financing arrangement	-	-	-
Lease liability (Note 13(f))		-	-
	481,522	(1,131)	480,391

31 December 2022	Non-current liabilities	Current liabilities	Total
Bank of Industry loan	-	25,131	25,131
Lease liability (Note 13(f))	-	-	-
	-	25,131	25,131

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

(a) **Terms and repayment schedule**

				31 December 2023		**31 December 2022**	
In thousands of naira	**Currency**	**Nominal interest rate**	**Year of maturity**	**Face Value**	**Carrying amount**	**Face Value**	**Carrying amount**
(i) Bank of Industry loan	NGN	10%	2023	-	(1,131)	26,573	25,131
(ii) Bank of Industry loan	NGN	21%	2028		481,522		
(iv) Lease liability	NGN	18%	2022	-	0	-	-
Total interest-bearing loans				-	480,391	26,573	25,131

i) **Bank of Industry Loan**

The loan is a Central Bank of Nigeria (CBN) intervention fund through Bank of Industry (BOI), which is secured by a "duly executed Negative Pledge" (Bank Guarantee) in favour of Fidelity Bank Plc. The applicable interest rate is 10% per annum. The loan is repayable in seventy two monthly instalments (including a twelve months moratorium between March 2017 to February 2018) at various dates between March 2018 to March 2023.

For the period ended 31 December 2023, interest expense of ₦2.6million (31 December 2022: ₦4.1million) which accrued on the facility, was recognised in the profi or loss.

ii) **Development financing arrangement**

The Company engaged the services of Gauge Construction Servicing Limited ("the Contractor") for the construction, development and management of the Berger Paints Plaza based on a Memorandum of Understanding dated 20 March 2012. The consideration for the investment property development financing arrangement and the services provided by the Contractor is 50% of the rental collections in respect of the property, after the deduction of expenses incurred in the management of the property, for a period of 12 years from 26 March, 2012 to 25 March, 2024. The consideration is deemed to be the full and final settlement of all fees and money due to the contractor in respect of the arrangement. Accordingly, the Company's obligation to the Contractor is measured at amortised cost using the effective interest method and based on the estimated cashflows specified above.

The Company determines the repayment cash flows by estimating the occupancy, rentals and the expected collections in respect of operating leases of the trade shops and offices available for commercial rent over the remaining period.

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iii) Lease liability

The lease was provided by Financial Derivatives Company Limited for eighteen (18) motor vehicles, required for replacement of aged sales field force vehicles and part for administrative/operational use. The applicable lease interest rate is 18% per annum, it is repayable in thirty six (36) monthly equal instalments at various dates between September 2019 to August 2022. The Company entered into a lease arrangement for the procurement of one (1) motor vehicles for a lease interest rate of 15% per annum, it is repayable in twenty four (24) monthly equal instalments at various dates between May 2020 to May 2022. All lease obligations have been completely extinguished as of December 31, 2023.

As at 31 December 2023, interest expense and related charges of ₦0.00 million (31 December 2022: ₦2.79 million) was due on the lease facility and recognised in profit or loss. The total cash outflows in respect of principal and interest lease payments was ₦0.00 million (31 December 2022: ₦38.15 million) and is included as part of repayment of borrowings in the statement of cashflows.

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

in thousands of naira	31 December 2023	31 December 2023	31 December 2022
Balance, beginning of year	25,131	25,131	145,373
Additions	481,522	481,522	(126,652)
Repayment	(26,262)	(26,262)	(6,687)
Net gain on financial liabilities measured at amortised costs	-	-	(2,454)
Interest accrued in profit or loss	-	(3,252)	15,551
Balance, end of the period	480,391	480,391	25,131

26 Dividends

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

	Per share (kobo)	31 December 2023 N'000	Per share (kobo)	31 December 2022 N'000
Declared Dividend	70	202,876	40	115,929

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

27 Dividend payable

The movement in dividend payable is as follows:

In thousands of naira	31 December 2023	31 December 2023	31 December 2022
At 1 January	390,797	390,797	363,407
Declared dividend	202,876	202,876	115,929
Payments	(269,356)	(269,356)	(88,540)
At 31 December 2023	324,316	324,316	390,796

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28 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.

A. Transactions with key management personnel

Key management personnel compensation comprised the following:

In thousands of naira	31 December 2023	31 December 2022
Short-term benefits	35,351	56,367
Post employment benefits	-	2,923
	35,351	59,290

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)	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
		N'000	N'000	N'000	N'000
Emychem Limited	Supply of raw materials	-	9,104	-	(7,075)
Clayton Finance Limited	Supply of raw materials	-	-	-	-
		-	9,104	-	(7,075)

Emychem Limited

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

Swift Painting Nigeria Limited

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

	31-Dec-23	31-Dec-23	31-Dec-22	31-Dec-22
Investment in Subsidiary		20,000		

B. Other related party transactions

The Company incorporated a subsidiary in Ghana, Lewis Berger Ghana Limited, on 23 October 2013. As at 31 December 2017, the subsidiary had not commenced operations. The Company has not prepared consolidated financial statements on the account of materiality.

B. Other related party transactions

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

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29 Financial instruments – Fair values and financial risk management

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. As at 31 December 2023, the Company did not have financial assets and liabilities measured at fair value through other comprehensive income or fair value through profit or loss.

31 December 2023		**Fair value**			
In thousands of naira	**Amortized Cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value					
Other financial assets	381,394	-	381,394		381,394
Trade and other receivables	587,673	-	-	587,673	587,673
Cash and cash equivalents	651,311	-	-	651,311	651,311
	1,620,378	-	**381,394**	**1,238,984**	**1,620,378**
Financial liabilities not measured at fair value					
Loans and borrowings	480,391	-	-	-	-
Trade and other payables*	1,107,897	-	-	1,107,897	1,107,897
Dividend payable	324,316	-	-	407,251	407,251
	1,912,604	-	-	**1,515,148**	**1,515,148**

31 December 2022		**Fair value**			
In thousands of naira	**Amortized Cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value					
Other financial assets	359,747	-	359,747	-	359,747
Trade and other receivables	243,351	-	243,351	-	243,351
Cash and cash equivalents	495,838	-	495,838	-	495,838
	1,098,936	-	**1,098,936**	-	**1,098,936**
Financial liabilities not measured at fair value					
Loans and borrowings	145,373	-	152,901	-	152,901
Trade and other payables*	487,848	-	487,848	-	487,848
Dividend payable	363,407	-	363,407	-	363,407
	996,628	-	**1,004,156**	-	**1,004,156**

*Trade and other payables excludes statutory deductions such as Value Added Tax payable, Withholding Tax payable, PAYE payable, Pension payable and other non-income taxes payables.

The carrying amount of financial instrument such as short term trade and other receivables, other financial asset, cash

and cash equivalent, trade and other payables and dividend payable are a reasonable approximation of their fair values.

- **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 Company is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise treasury bills classified as available for sale.

- **Financial instruments in level 2**

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

Specific valuation techniques used to value financial instruments include:

(i) quoted market prices or dealer quotes for similar instruments;

(ii) other techniques, such as discounted cash flow analysis, sales prices of comparable properties in close proximity, are used to determine fair value for the remaining financial instruments.

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

(b) Financial risk management

Overview

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

● Credit risk
● Liquidity risk
● Market risk

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

(i) **Risk management framework**

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

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

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

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

(ii) **Credit risk**

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

Exposure to credit risk

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

In thousands of naira	**31 December 2023**	**31 December 2022**
Trade and other receivables (See (a) below)	558,021	219,524
Cash and cash equivalents (excluding cash at hand) (See (b) below)	651,242	495,643
Other financial assets (See (b) below)	381,394	359,747
	1,590,657	1,074,914

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(a) Trade and other receivables

In thousands of naira	**31 December 2023**	**31 December 2022**
Net trade and lease receivables (See a(i) below)	444,900	132,168
Deposit with company registrar (See a(ii) below)	81,036	81,036
Staff debtors (See a(iii) below)	1,760	1,264
Other receivables (See a(iii) below)	30,325	5,056
	558,021	**243,351**

(i) Net trade and lease receivables

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

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

Concentration of risk

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

	Carrying amount	
In thousands of naira	**31 December 2023**	**31 December 2022**
Wholesale customers	68,736	54,806
Retail customers (Home owners)	6,567	24,250
Others (Corporates)	305,019	153,454
Lease receivable	89,804	83,688
	470,126	**316,198**
Impairment losses on financial assets recognised in profit or loss were as follows:		
- Impairment loss on trade receivable arising from contracts for sale of paints	21,991	100,342
- Impairment loss on investment property lease contracts	-	83,688
	21,991	**184,030**
Net trade and lease receivables	**448,135**	**132,168**

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

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

31 December2023

In thousands of naira	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%	1,772	-	1,772
Past due 1–30 days	No	0%	167,918	-	167,918
Past due 31–60 days	Yes	9%	169,561	15,846	185,407
Over 61 days due	Yes	100%	37,837	(37,837)	-
			377,087	**(21,991)**	**355,096**

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31 December 2022

In thousands of naira	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%	2,591	-	2,591
Past due 1–30 days	Yes	8%	102,395	(7,768)	94,627
Past due 31–60 days	Yes	12%	47,606	(5,839)	41,767
Over 61 days due	Yes	100%	86,735	(86,735)	-
			239,327	**(100,342)**	**138,985**

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

31 December 2023

In thousands of naira	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%	2,160.00	-	2,160
Past due 1–30 days	No	0%	67,244	-	67,244
Past due 31–60 days	Yes	30%	169,561	(50,927)	118,634
Over 61 days due	Yes	100%	37,837	(37,837)	-
			276,801	(88,764)	188,037

31 December 2022

In thousands of naira			Gross	Impairment	Net
Neither past due nor impaired	No	0%	2,160	-	2,160.00
Past due 1–90 days	Yes	16%	241,458	(38,786)	202,672.00
Past due 91–180 days	Yes	23%	20,345	(4,687)	15,658.00
Over 180 days	Yes	100%	45,291	(45,291)	-
			309,254	(88,764)	220,490

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

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

In thousands of naira	**December 2023**	**31 December 2022**
Balance as at 1 January	164,306	164,306
Net impairment loss recognised	(142,315)	(0)
Balance as at 31 December	21,991	164,306

(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, which has a history of reputable ratings. 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 Company's building propeties to third parties and receivables from employees.

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

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

Notes to the Consolidated and Seperate financial statements
For the year ended 31 December 2023

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

The Company held cash and cash equivalents of ₦618 million and other financial asset of ₦319 million as at 31 December 2023 (31 December 2022: N496 million and N359 million respectively) which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with commercial banks with good external ratings. The Company manages the risk associated with its cash and cash equivalents by selecting banks with strong financial position and history of good performance.

Impairment on cash and cash equivalent has been measured on a 12 month expected credit loss basis and reflects the short maturities of the exposures. The Company considered that its cash and cash equivalent and other financial asset have low credit risk based on the external credit ratings of the counter parties.

(iii) **Liquidity risk**

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

The Company aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. At 31 December 2023, the expected cash flows from trade and other receivables maturing within six months were ₦254.8 million (31 December 2022: ₦263.9 million). This excludes potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Notes to the Consolidated and Seperate financial statements
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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:

31 December 2023		**Contractual cash flows**					
In thousands of naira	**Carrying Amount**	**Total**	**6 months or less**	**6-12 months**	**1 – 2 years**	**2 – 5 years**	**More than 5 years**
Loans and borrowings (excluding lease liability)	480,391	480,391	39,337	441,054		-	-
Lease liability	-	-	4,766	4,766	(9,531)	-	
Trade and other payables*	1,107,897	1,107,897	1,107,897	-	-	-	-
Dividend payable	324,316	324,316	324,316	-	-	-	-
	1,912,605	**1,912,605**	**1,476,316**	**445,819**	**(9,531)**	**-**	**-**

31 December 2022		**Contractual cash flows**					
In thousands of naira	**Carrying Amount**	**Total**	**6 months or less**	**6-12 months**	**1 – 2 years**	**2 – 5 years**	**More than 5 years**
Loans and borrowings (excluding lease liability)	97,695	254,355	57,668	39,337	157,350	-	-
Lease liability	47,678	59,613	29,807	29,806	-	-	-
Trade and other payables*	561,049	561,049	561,049	-	-	-	-
Dividend payable	363,407	363,407	363,407	-	-	-	-
	1,069,829	**1,238,424**	**1,011,931**	**69,143**	**157,350**	**-**	**-**

*Trade and other payables excludes statutory deductions such as Value Added Tax payable, Withholding Tax payable, PAYE payable, Pension payable and other non-income taxes 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.

Notes to the Consolidated and Seperate financial statements

For the year ended 31 December 2023

1. ***Currency risk***

The Company is exposed to currency risk on purchases that are denominated in a currency other than the functional currency of the Company. The functional currency of the Company is primarily the Naira. The currencies in which these transactions are primarily denominated are Naira (₦), 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

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

Exposure to currency risk

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

	31 December 2023			31 December 2022		
	US$	€	GBP	US$	€	GBP
Foreign currency included in cash and cash equivalents	72,216	973	356	95,481	1,088	356
Import finance liability (See Note 26(iii))	-	-	-	-	-	-

The following significant exchange rates were applied;

	Average rate during the year		Year end spot rate	
Naira	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
US$ 1	899.90	853.95	414.72	400.33
€ 1	993.10	935.40	430.85	491.45
GBP 1	1,144.00	1,085.63	502.02	512.42

Sensitivity analysis

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

	Profit or loss	
In thousands of Naira	Strengthening	Weakening
31 December 2023		
US$ (5% movement)	1,497	(1,497)
€ (5% movement)	21	(21)
GBP (5% movement)	9	(9)
31 December 2022		
US$ (20% movement)	8,099	(8,099)
€ (20% movement)	104	(104)
GBP (20% movement)	41	(41)

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2. ***Interest rate risk***

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

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

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

Fixed rate instruments	**Nominal amount**	
In thousands of naira	**31 December 2023**	**31 December 2022**
Financial liabilities:		
Short term borrowings	(1,131)	137,498
Long term borrowing	481,522	7,875
	480,391	145,373

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

The Company does not have any variable rate financial assets and liabilities as at 31 December 2023 (December 2022: Nil).

(c) **Capital management**

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

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

	31 December 2023	**31 December 2022**
In thousands of naira		
Total liabilities	2,961,816	1,879,966
Less: Cash and Cash equivalents	(651,311)	(217,629)
Adjusted net debt	2,310,505	1,662,337
Total Equity	3,649,308	3,323,445
Net debt to equity ratio	0.63	0.50

30 Leases

A. Leases as Lessee (IFRS 16)

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

As at 31 December 2023, the 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 13(f)). Interest on lease liabilities as well as the repayments of the lease has been included in loans and borrowings (see Note 25(a)).

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B. Leases as Lessor

The Company leases out its investment property consisting of its owned commercial properties (see Note 15).

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

a. Future minimum lease payments

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

In thousands of naira	**31 December 2023**	**31 December 2022**
Less than one year	69,942	78,646
Between one and five years	19,863	5,042
	89,804	83,688

b. Amounts recognised in profit or loss

Investment property lease income recognised for the period to 31 December 2023 is Nil (31 December 2022: Nill). Depreciation expense on the investment property was included in admin expenses.

31 Provision of Non Audit Services

The details of non-audit services and the applicable fees paid during the period ended 31 December 2023 were:

	₦' million
i. Tax services	Nil
ii Transfer pricing advisory services	Nil

32 Contingencies

There are no contingent liabilities in respect of litigation and claims for the Company as at 31 December 2023 (December 2022: Nil).

33 Subsequent events

There were no 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.

Notes to the Consolidated and Seperate financial statements
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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	**Operations**
Paints and allied products	Manufacturing, distributing and selling of paints and allied products
Contract revenue	Rendering of painting services
Investment property rental income	Investment property rentals

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

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before taxation, as included in the internal management reports that are reviewed by the 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

In thousands of naira

	Paints and allied products	**Contract revenue**	**Investment property rental income**	**Unallocated**	**Total**
31 December 2023					
External revenues	7,603,551	306,478	152	-	7,910,181
Finance income	-	-	-	(87,008)	(87,008)
Finance costs	-	-	-	(16,741)	(16,741)
Depreciation & amortisation	(219,448)	(3)	(20,359)	-	(239,810)
Net impairment loss on trade receivables	-	-	150,460	-	150,460
Reportable segment profit /(loss) before taxation	653,597	97,457	130,253	(103,749)	777,558

	Paints and allied products	**Contract revenue**	**Investment property rental income**	**Unallocated**	**Total**
31 December 2022					
External revenues	2,181,191	139,509	-	-	2,320,700
Finance income	-	-	-	5,443	5,443
Finance costs	-	-	(9,784)	(8,209)	(17,993)
Depreciation & amortisation	(121,583)	-	(10,473)	-	(132,056)
Impairment loss on trade receivables	-	-	-	-	-
Reportable segment profit before income taxation	44,771	102,878	(20,257)	(2,766)	124,626

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.

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

Revenues

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

Profit or loss

In thousands of naira	**31 December 2023**	**31 December 2022**
Total profit or loss for reportable segments	881,307	127,392
Unallocated finance income	(87,008)	5,443
Unallocated finance costs	(16,741)	(8,209)
Profit before taxation	777,558	355,579

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 Company's total revenue. Therefore, information on major customers is not presented.

Notes to the Consolidated and Seperate financial statements
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35 **Condensed Statement of financial Position**

	GROUP	ELIMINATION ENTRIES	BERGER PAINTS	SWIFT PAINTING
	N'000	N'000	N'000	N'000
Assets				
Property, plant and equipment	2,499,650		2,484,874	14,776
Intangible assets	17,602		17,602	-
Tax assets	123,095		123,095	-
Investment property	341,515		341,515	-
Investment in Subsidiary	-	(20,000)	20,000	-
Total non-current assets	2,981,862	(20,000)	2,987,086	14,776
Inventories	1,725,243		1,725,243	
Trade and other receivables	573,466	(29,652)	587,673	15,445
Deposit for imports	46,601		46,601	
Prepayments and advances	248,928		231,812	17,116
Other financial assets	381,394		381,394	
Cash and cash equivalents	655,561		651,311	4,250
Total current assets	3,631,192	(29,652)	3,624,034	36,810
Total assets	6,613,058	(49,652)	6,611,124	51,586
Equity				
Share capital	144,912	20,000	144,912	20,000
Share premium	635,074		635,074	
Retained earnings	2,867,667		2,869,322	(1,655)
Total equity	3,647,653	20,000	3,649,308	18,345
Liabilities				
Loans and borrowings	481,522		481,522	
Deferred income	69,957		69,957	
Deferred taxation	455,882		455,882	
Total non-current liabilities	1,007,361	-	1,007,361	-
Loans and borrowings	(1,131)		(1,131)	
Current tax liabilities	303,907		301,564	2,343
Trade and other payables	1,297,915	(29,652)	1,296,669	30,898
Deferred income	33,037		33,037	
Dividend payable	324,316		324,316	
Total current liabilities	1,958,044	(29,652)	1,954,455	33,241
Total liabilities	2,965,405	(29,652)	2,961,816	33,241
Total equity and liabilities	6,613,058	(9,652)	6,611,124	51,586

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36 Condensed Statement of Profit or Loss and Other Comprehensive Income

	GROUP	ELIMINATION ENTRIES	BERGER PAINTS	SWIFT PAINTING
	N'000	N'000	N'000	N'000
Revenue	7,968,979		7,910,181	58,798
Cost of sales	(5,361,834)		(5,316,518)	(45,316)
Gross profit	2,607,145	-	2,593,663	13,482
Other income	248,234		248,234	-
Selling and distribution expenses	(490,776)		(490,547)	(229)
Administrative expenses	(1,485,729)		(1,470,043)	(15,686)
Operating profit before impairment charges	878,874	-	881,307	(2,433)
Impairment loss on trade receivables	-			
Operating profit	878,874	-	881,307	(2,433)
Finance income	(87,008)		(87,008)	-
Finance costs	(16,741)		(16,741)	-
Net finance income	(103,749)	-	(103,749)	-
Profit before minimum tax	775,125	-	777,558	(2,433)
Minimum tax expense	-			
Profit before income tax	775,125	-	777,558	(2,433)
Income tax expense	(248,040)		(248,819)	(779)
Profit for the period	527,085	-	528,739	(1,655)
Other comprehensive income				
Other comprehensive income for the period				
Total comprehensive income for the period	527,085	-	528,739	(1,655)
Earnings per share:				
Basic and diluted earnings per share (kobo)	182		182	

Notes to the Consolidated and Seperate financial statements
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37 Condensed Statement of Cashflows

	GROUP N'000	ELIMINATION ENTRIES N'000	BERGER PAINTS N'000	SWIFT PAINTING N'000
Cash flows from operating activities				
Profit for the period	527,085		528,739	(1,654)
Adjustments for:				
- Depreciation	165,495		164,036	1,459
- Amortisation	10,877		10,877	-
- Finance income	87,008		87,008	-
- Finance cost	113,028		113,028	-
- Gain on sale of property, plant and equipment	(18,514)		(18,514)	-
- Taxation	248,040		248,819	(779)
	1,133,019	-	1,133,993	(974)
Changes in:				
- Inventories	(358,456)		(358,456)	-
- Trade and other receivables	(425,216)		(440,661)	15,445
- Deposit for imports	41,324		41,324	-
- Prepayments and advances	(221,095)		(221,094)	(0)
- Trade and other payables	68,949		70,195	(1,246)
- Deferred income	10,953		10,953	-
Cash generated from operating activities	249,479	-	236,254	13,225
WHT credit notes utilised	52,746		52,746	-
Tax paid	(14,759)		(14,759)	-
Net cash generated from operating activities	287,466	-	274,241	13,225
Cash flows from investing activities				
Purchase of property plant and equipment	(188,104)		(177,137)	(10,967)
Acquisition of Intangible assets	(652)		(652)	-
Proceeds from sale of property, plant and equipmen	18,514		18,514	-
Interest income on other financial assets	(87,008)		(87,008)	-
Additions to investment in financial assets	(21,647)		(21,647)	-
Investment in Subsidiary	(20,000)		(20,000)	-
Net cash used in investing activities	(298,897)	-	(287,930)	(10,967)
Cash flows from financing activities				
Additions to loans and borrowings	481,522		481,522	-
Repayment of borrowings	(26,262)		(26,262)	-
Interest paid	(16,741)		(16,741)	-
Dividend paid	(269,356)		(269,356)	-
Net cash used in financing activities	169,163	-	169,163	-
Net decrease in cash and cash equivalents	157,732	-	155,474	2,258
Cash and cash equivalents at 1 January	497,830		495,838	1,992
Cash and cash equivalents at 31 December **2023**	655,561	-	651,311	4,250

Other National Disclosures

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Berger Paints Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares.

The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period under review.

Other National Disclosures
Value Added Statement

For the year ended 31 December 2023
In thousands of naira

	GROUP				COMPANY			
	31 December 2023	%	**31 December 2022**	%	**31 December 2023**	%	**31 December 2022**	%
Sales (note 5)	7,968,979		6,331,634		7,910,181		6,331,634	
Finance Income (note 7)	(87,008)		17,319		(87,008)		17,319	
Other income (note 6)	248,234		92,534		248,234		92,534	
	8,130,205		6,441,487		8,071,407		6,441,487	
Bought in materials and services								
- Imported	(440,679)		(85,920)		(440,679)		(85,920)	
- Local	(5,889,176)		(4,941,482)		(5,829,404)		(4,941,482)	
Value added	1,800,350	100	1,414,085	100	1,801,324	100	1,414,085	100
Distribution of value added								
To Employees:								
Personnel expenses	832,112	**46**	762,878	54	832,112	46	762,878	54
To Providers of Finance:								
Interest on loans (note 7)	16,741	**1**	15,551	1	16,741	1	15,551	1
To Government:								
Taxation (note 11(a))	248,040	**14**	179,120	13	248,819	14	179,120	13
Retained in the business as:								
Depreciation (note 9(b))	165,495	**9**	239,541	17	164,036	9	239,541	17
Amortisation (note 13)	10,877	**1**	8,325	1	10,877	1	8,325	1
To augment reserve	527,085	**29**	208,670	15	528,739	29	208,670	14
	1,800,350	100	1,414,085	100	1,801,324	100	1,414,085	100

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

Other National Disclosures
Five Year Financial Summary

In thousands of naira

	2023	2022	2021	2020	2019
Funds employed					
Share capital	144,912	144,912	144,912	144,912	144,912
Share premium	635,074	635,074	635,074	635,074	635,074
Fair value reserve	-	-	-	-	-
Retained earnings	2,867,667	2,576,026	2,450,717	2,366,986	2,293,414
Shareholder's fund	3,647,653	3,356,012	3,230,703	3,146,972	3,073,400
Current liabilities	1,958,044	1,690,196	1,439,061	1,328,867	1,465,725
Non-current liabilities	1,007,361	514,887	440,905	496,033	527,324
	6,613,058	**5,561,095**	**5,110,669**	**4,971,872**	**5,066,449**
Assets employed					
Non current assets	2,981,862	2,883,117	3,064,279	3,212,821	3,292,840
Current assets	3,631,196	2,645,411	2,046,390	1,759,051	1,773,609
	6,613,058	**5,528,528**	**5,110,669**	**4,971,872**	**5,066,449**

In thousands of naira

		2022	2021	2020	2019
Revenue	7,968,979	6,331,634	4,964,796	3,837,582	3,584,804
Profit before minimum tax	775,125	387,790	190,761	211,850	551,561
Profit before tax	775,125	355,579	178,089	210,903	533,099
Profit for the year	527,085	208,670	135,635	146,028	448,733
Other comprehensive income, net of tax	-	-	-	-	-
Declared dividend		115,929	115,929	72,456	188,385
Per 50k share data:					
Basic and diluted earnings per share (kobo)	182	72	47	50	47
Interim Declared dividend per share (kobo)	20	-	-	-	-
Final Declared dividend per share (kobo)		70	40	25	40
Net assets per share (kobo)	12.59	11	11	11	11