



BUA FOODS PLC

formerly BUA Sugar Refinery Limited
(RC:621320)

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND TWELVE MONTHS ENDED

31ST DECEMBER, 2021



BUA FOODS PLC
Unaudited financial statements for the twelve months ended
31st December 2021

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Note 1

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted by the company in the preparation of its Financial Statements.

BASIS OF PREPARATION

These Financial Statements have been prepared in compliance with IAS 34 Interim Financial Reporting and relevant International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (the IASB).

These Financial Statements were prepared under the historical cost convention.

The principal accounting policies applied in the presentation of the Financial Statements are set out below. These policies have been applied to all the periods presented except for the adoption of new accounting policies.

2. REVENUE

Revenue is measured at fair value of the consideration received or receivable net of value added tax, excise duties returns, customers discounts and other sales related discounts.

Revenue from the sale of products is recognised in profit or loss when the contract has been approved by both parties, rights have been clearly identified, payment terms have been defined, the contract has commercial substance and collectibility has been ascertained as probable. Collectibility of customers payment is ascertained from the customers historical records, guarantees provided, and advance payments made if any.

The four steps recognition process for revenue is listed below:

- identify the contract with a customer
- identify the performance obligation in the contract
- determine the transaction price
- allocate the price to the performance obligation
- recognise revenue

3. COST OF GOODS SOLD

These are the cost of internally produced goods sold. The cost of internally produced goods include directly attributable costs such as the cost of direct materials, direct labour, and energy costs, as well as production overheads, including depreciation of production facilities. The cost of goods sold includes write-downs of inventories where necessary.

4. SELLING AND DISTRIBUTION EXPENSES

Comprises the cost of marketing, cost of organising the sales process and distribution.

5. FOREIGN CURRENCY

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the company operate ('the functional currency'). The functional currency and presentation currency of the Company is the Nigerian Naira (=N=).

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from settlement of foreign currency transactions and from the translation of exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency are recognised in the foreign exchange gain or loss in profit or loss.



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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6. FINANCIAL INSTRUMENTS

Financial instruments represent the Company's financial assets and liabilities. Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. These instruments are typically held for liquidity, investment, trading or hedging purposes. All financial instruments are initially recognized at fair value plus directly attributable transaction cost except those carried at fair value through profit or loss where transaction cost are recognized immediately in profit or loss.

Financial instruments are recognized (derecognized) on the date the Company commits to purchase (sell) the instruments (trade date accounting).

Financial assets include trade and other receivables, cash and bank balances and certain other assets. Financial liabilities include term loans, bank overdraft, trade and certain other liabilities. The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company's has not classified any of its financial assets as held to maturity.

Subsequent measurement

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost, depending on their classifications below. The company's accounting policy for each category is as follows:

i. Trade and Other Receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers, but also incorporate other types of contractual monetary assets. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty of default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

ii. Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash.



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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Impairment of financial assets carried at amortised cost

The Company assesses at each reporting date whether there is objective evidence that trade and other receivables are impaired. Trade and other receivable is impaired if objective evidence indicates that a loss event has occurred after initial recognition and that loss event has a negative effect on the estimated future cash flows of the receivables that can be estimated reliably. Criteria that are used by the Company in determining whether there is objective evidence of impairment include:

- known cash flow difficulties experienced by the customer;
- a breach of contract, such as default or delinquency in repayment for goods and service;
- breach of credit terms or conditions and;
- it is becoming probable that the customer will enter bankruptcy or other financial reorganisation.

Financial liabilities

These include the following items:

i. Bank borrowings

Bank borrowings are initially recognized at fair value, net of any transaction costs incurred. Borrowings are subsequently carried at amortised costs; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

General and specific borrowing costs directly attributable to acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the profit or loss in the period in which they are incurred.

ii. Trade payables and other short-term monetary liabilities

These are initially recognized at fair value and subsequently carried at amortised cost using the effective interest method.

Fair value

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received, unless the fair value is evidenced either by comparison with other observable current market transactions in the same instrument, without modification or repackaging or based on valuation techniques such as discounted cash flow models and option pricing models whose variables include only data from observable markets. When such valuation models with only observable market data as inputs or the comparison with other observable current market transactions in the same instrument indicate that the fair value differs from the transaction price, the initial difference will be recognised in the profit or loss immediately. The Company does not have any financial instruments (derivatives, etc.) that warrant such valuation method.

Derecognition of financial instruments

Financial assets are derecognized when the contractual rights to receive cash flows from the financial assets have expired or where the company has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards



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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset.

Financial liabilities are derecognized when they are extinguished, i.e. when the obligation is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts being recognized in profit or loss.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right is not contingent on future events and is enforceable in the normal course of business, and in event of default, insolvency or bankruptcy of the Company or counterparty.

7. RETIREMENT BENEFITS:

The Company operates two pension scheme for its employees: Defined Contribution Scheme and Defined Benefit Scheme. The defined pension contribution plan is based on a percentage of pensionable earnings funded through contributions from the Company (10%) and employees (8%). The fund is administered by the Pension Fund's administrators. Contributions to this plan are recognised as an expense in the profit or loss in the periods during which services are rendered by employees.

Defined benefit schemes also referred to as employee end of service gratuities are regarded as post-employment benefits.



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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

9. CURRENT TAXATION

The tax for the period comprises current, education and deferred taxes. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity, respectively.

10. DEFERRED TAXATION

Deferred tax is recognized where the carrying amount of an asset or liability in the statement of financial position differs from its tax base. Recognition of deferred tax is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilized. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities / (assets) are settled / (recovered).

11. PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are stated at historical cost less depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item to the Company and the cost can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance cost are charged to the profit or loss during the financial period in which they are incurred.

Capital work in progress are not depreciated. Depreciation of assets commences when assets are available for use. Depreciation on other assets are calculated using straight line method over their expected useful economic lives as follows:

| | Useful life (years) |
|--------------------------------|----------------------------|
| Land | Not depreciable |
| Buildings | 30- 50 |
| Plant and Machinery | 7-50 |
| Furniture and Fittings | 5 |
| Trucks | 5 |
| Computer and Office Equipments | 5 |
| Motor vehicles | 8 |
| Construction Work in Progress | Nil |

These assets residual values and useful lives are reviewed and adjusted if appropriate at end of the reporting year.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the estimated selling price in the ordinary course of business less cost to sell and value in use. Impairment losses and reversal of previously recognised impairment losses are recognised within administrative expenses in profit or loss.



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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefit are expected from its use or disposal. Gains or losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within other income or other expenses-net in profit or loss.

12. INVENTORIES

Inventories are stated at the lower of cost and net realizable value after providing for any obsolescence and damages determined by the management. Costs are those expenses incurred in bringing each product to its present location and condition which are computed as follows:

- Raw materials, spare parts and consumables: Actual costs include transportation, handling charges and other related costs.
- Work in progress and finished goods: Cost of direct materials, direct labour and other direct cost plus attributable overheads based on standard costing.
- Finished Goods: Direct cost plus all production overheads.

Inventories are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated cost to sell.

Allowance is made for excessive, obsolete and slow moving items. Write-downs to net realizable value and inventory losses are expensed in the period in which the write-downs or losses occur.

13. RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include:

- Entities over which the company exercises significant influence
- Shareholders and key management personnel of the Company
- Close family members of key management personnel
- Post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the Company.

Key management personnel comprise the Board of Directors and key members of the management having authority and responsibility for planning, directing and controlling the activities of the Company. The Company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using the current market price or admissible valuation method.



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STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

14. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the statement of financial position date.

15. PROVISIONS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation and the amount has been reliably estimated.

16. BORROWING COSTS CAPITALISED

Borrowing costs that relate to qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale and which are not measured at fair value, are capitalized. All other borrowing costs are recognized in profit or loss.

17. RIGHT OF USE ASSET

Right of use asset are initially measured at cost comprising of the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date, less any lease incentives received
- any initial direct costs, and
- restoration costs.

The Right of Use and lease liability are presented separately from other non-lease assets and liability in the statement of financial position.

18. LEASES

The Company primarily leases building used as offices and warehouse. The lease terms are typically for fixed periods ranging from 1 year to 2 years but may have extension options as described below. On renewal of lease, the terms may be renegotiated.

Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and non-lease components and instead accounts them as a single lease component. Lease terms are negotiated on an individual basis and contain different terms and conditions including extension and termination options. The lease agreement do not impose any covenants; however, leased assets may not be used as security for borrowing purposes.

19. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker. The Chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments has been identified as BUA Foods Plc leadership team which comprises of the Board of Directors and other executive officers.

20. COMPARATIVE FIGURES

Where necessary, comparative figures with notes have been restated to conform to changes in presentation in the current year.



BUA FOODS PLC

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE TWELVE MONTHS ENDED 31ST DECEMBER 2021**

| | Notes | UNAUDITED YTD 31 Dec. 2021 =N=000 COMPANY | AUDITED YTD 31 Dec. 2020 =N=000 COMPANY | UNAUDITED YTD 31 Dec. 2021 =N=000 GROUP | AUDITED YTD 31 Dec. 2020 =N=000 GROUP |
|---------------------------------|-------|--|--|--|--|
| Turnover | 1 | 230,920,681 | 177,683,945 | 333,673,544 | 192,860,037 |
| Cost of Sales | 2 | <u>161,013,607</u> | <u>118,599,174</u> | <u>230,419,577</u> | <u>127,950,180</u> |
| Gross Profit | | 69,907,074 | 59,084,771 | 103,253,967 | 64,909,857 |
| Selling & distribution expenses | | 4,744,145 | 3,657,494 | 7,438,928 | 4,013,384 |
| Administrative expenses | 4 | <u>4,159,098</u> | <u>7,409,960</u> | <u>4,776,742</u> | <u>7,594,319</u> |
| Operating Profit | | 61,003,831 | 48,017,317 | 91,038,297 | 53,302,155 |
| Other Income | 3 | 1,552,756 | 1,542,693 | 1,554,301 | 1,543,010 |
| Finance Charges | | 8,402,540 | 4,601,096 | 9,447,733 | 5,192,037 |
| Net Profit/(Loss) | | <u><u>54,154,047</u></u> | <u><u>44,958,915</u></u> | <u><u>83,144,865</u></u> | <u><u>49,653,128</u></u> |
| Income Taxes | | <u>7,965,474</u> | <u>11,953,335</u> | <u>7,965,474</u> | <u>11,953,335</u> |
| Net Profit After Tax | | <u><u>46,188,573</u></u> | <u><u>33,005,580</u></u> | <u><u>75,179,390</u></u> | <u><u>37,699,793</u></u> |
| EPS | | 2.57 | 1.83 | 4.18 | 2.09 |



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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31ST DECEMBER**

| | Notes | UNAUDITED Q4 - 2021 =N= 000 COMPANY | UNAUDITED Q4 - 2020 =N= 000 COMPANY | UNAUDITED Q4 - 2021 =N= 000 GROUP | UNAUDITED Q4 - 2020 =N= 000 GROUP |
|---------------------------------|-------|--|--|--|--|
| Turnover | | 64,938,202 | 51,158,982 | 92,613,971 | 66,335,074 |
| Cost of Sales | | 48,338,411 | 37,455,167.40 | 68,826,474.46 | 46,806,173.20 |
| Gross Profit | | 16,599,791 | 13,703,814 | 23,787,496 | 19,528,901 |
| Selling & distribution expenses | | 1,326,271 | 377,229.50 | 1,326,271.33 | 377,229.50 |
| Administrative expenses | | 1,149,363 | 1,329,270.50 | 1,641,342.79 | 1,869,519.19 |
| Operating Profit | | 14,124,157 | 11,997,314 | 20,819,882 | 17,282,152 |
| Other Income | | 391,257 | 8,104.24 | 391,778.06 | 8,420.82 |
| Finance Charges | | 849,851 | 1,890,268.11 | 1,015,743.26 | 2,481,209.06 |
| Net Profit/(Loss) | | <u>13,665,562</u> | <u>10,115,151</u> | <u>20,195,917</u> | <u>14,809,364</u> |




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STATEMENT OF FINANCIAL POSITION AS AT

| | | UNAUDITED 31st DEC 2021 | AUDITED 31st DEC 2020 | UNAUDITED 31st DEC 2021 | AUDITED 31st DEC 2020 |
|--|-------|----------------------------|---------------------------|----------------------------|---------------------------|
| | Notes | =N= COMPANY | =N= COMPANY | =N= GROUP | =N= GROUP |
| ASSETS | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Property, Plant and Equipments | 5a | 193,464,402 | 183,284,825 | 271,626,758 | 253,781,373.48 |
| Incorporation Costs/ Suspension Expenses | | 84,991 | 11,891 | 84,991 | 3,039,535 |
| Right of Use Assets | 5b | <u>37,617</u> | <u>38,459</u> | <u>1,042,070</u> | <u>2,047,365</u> |
| Total Non-Current Assets | | 193,587,011 | 183,335,175 | 272,753,820 | 258,868,274 |
| CURRENT ASSETS | | | | | |
| Inventories | 6 | 25,018,109 | 14,409,799 | 34,652,657 | 20,394,006 |
| Trade and other receivables | 7 | 62,858,711 | 25,307,553 | 68,967,603 | 25,339,117 |
| Due from Related Companies | | 169,319,785 | 195,031,758 | 200,391,767 | 196,236,741 |
| Cash and Short Term Deposits | 8 | <u>60,516,596</u> | <u>25,674,861</u> | <u>60,544,377</u> | <u>25,680,125</u> |
| Total Current Assets | | 317,713,202 | 260,423,971 | 364,556,404 | 267,649,989 |
| TOTAL ASSETS | | <u>511,300,212</u> | <u>443,759,146</u> | <u>637,310,223</u> | <u>526,518,263</u> |
| LIABILITIES AND EQUITY | | | | | |
| EQUITY | | | | | |
| Share Capital | 9 | 9,000,000 | 29,538 | 9,000,000 | 29,538 |
| Revaluation Reserves | | 21,526,013 | 21,526,013 | 21,526,013 | 21,526,013 |
| Retained Earnings | | <u>183,540,816</u> | <u>128,979,096</u> | <u>217,381,036</u> | <u>134,080,980</u> |
| Total Equity | | 214,066,829 | 150,534,647 | 247,907,049 | 155,636,530 |
| LIABILITIES | | | | | |
| NON-CURRENT LIABILITIES | | | | | |
| Leases | | 33,605 | 33,652 | 4,321,881 | 3,637,951 |
| Deposit for Shares | | 23,333,723 | 32,711,855 | 23,741,393 | 32,711,855 |
| Deferred Tax Liabilities | | 14,286,528 | 23,063,214 | 14,286,528 | 23,063,214 |
| Long Term Borrowing | 10 | <u>7,838,874</u> | <u>3,834,509</u> | <u>7,838,874</u> | <u>3,834,509</u> |
| Total Non-Current Liabilities | | 45,492,731 | 59,643,230 | 50,188,676 | 63,247,529 |
| CURRENT LIABILITIES | | | | | |
| Bank Overdraft | 8 | 2,518,146 | 9,466,442 | 2,518,146 | 9,466,442 |
| Creditors and Accruals | 11 | 6,059,188 | 41,554,782 | 84,642,456 | 42,007,112 |
| Other Current Liabilities | 11 | 129,659,501 | 58,156,828 | 138,550,079 | 131,757,432 |
| Short Term Borrowings | 10 | 113,503,818.05 | 124,403,218 | 113,503,818 | 124,403,218 |
| Total Current Liabilities | | 251,740,653 | 233,581,269 | 339,214,499 | 307,634,203 |
| Total Liabilities | | <u>297,233,384</u> | <u>293,224,499</u> | <u>389,403,174</u> | <u>370,881,732</u> |
| TOTAL LIABILITIES AND EQUITY | | <u>511,300,212</u> | <u>443,759,146</u> | <u>637,310,223</u> | <u>526,518,263</u> |

The financial statements and notes on pages 13 to 23 were approved by the Board of Directors on 28th January, 2022 and signed on its behalf by:


Alhaji Abdul Samad Rabiu
Non- Executive Director
FRC/2014/IODN/0000010111


Mr Abdulrasheed Olayiwola
Chief Finance Officer
FRC/2014/ICAN/0000010407


Alhaji Kabiru Rabiu
Non- Executive Director
FRC/2014/IODN/0000010028



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**UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS ENDED 31ST DEC. 2021**

| | SHARE CAPITAL =N=000 | RETAINED EARNINGS =N=000 | REVALUATION RESERVES =N=000 | TOTAL EQUITY =N=000 |
|----------------------------------|--------------------------------|--|---|-------------------------------|
| Balance at 1 January 2021 | 29,538 | 134,236,172 | 21,526,013 | 155,791,722 |
| Profit for the period | - | 83,144,865 | | 83,144,865 |
| Increase in Share Capital | 8,970,462 | | | 8,970,462 |
| Balance at 31 Dec., 2021 | 9,000,000 | 217,381,036 | 21,526,013 | 247,907,049 |
| Balance at 1 January 2020 | 29,538 | 96,536,379 | | 96,565,916 |
| Profit for the period | - | 37,699,792.88 | 21,526,012.73 | 59,225,806 |
| Balance at 31 Dec., 2020 | 29,538 | 134,236,172 | 21,526,013 | 155,791,722 |



BUA FOODS PLC

**STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED**

| | UNAUDITED 31ST DEC. 2021 =N= 000 | AUDITED 31ST DEC. 2020 =N= 000 |
|--|---|---|
| Cash Flows From Operating Activities | | |
| Profit for the period | 75,179,390 | 37,699,793 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 7,537,813 | 2,627,267 |
| Depreciation of right of use asset | 1,004,453 | 1,004,453 |
| Taxation | 7,965,474 | 11,953,335 |
| Finance Cost | 6,638,497 | (6,972,907) |
| SUB TOTAL | 98,325,627 | 46,311,941 |
| Changes in receivables from customers | (21,385,849) | (5,799,508) |
| Changes in Due from related companies | (845,296) | (504,842) |
| Changes in inventory | (14,118,255) | (9,436,393) |
| Changes in payable to suppliers | 4,609,552 | (7,309,304) |
| Changes in other current liabilities | 1,810,919 | 37,912,407 |
| SUB TOTAL | (29,928,928) | 14,862,360 |
| Net Cash from operating activities | 68,396,699 | 61,174,300 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (393,527) | (60,317,558) |
| Acquisition of right of use asset | - | (3,047,051) |
| Intrest received | 3,681,783 | 30,999 |
| Net cash used in investing activities | 3,288,256 | (63,333,610) |
| Cash flows from financing activities | | |
| Finance cost paid | (6,638,497) | (6,972,907) |
| Lease liability payment | (1,126,737) | (5,073) |
| Issue of shares | - | 427,670 |
| changes in current borrowings | (30,694,308) | 24,293,825 |
| Net cash from financing activities | (38,459,542) | 17,743,515 |
| Net increase/(decrease) in cash and cash equivalents | 33,225,413 | 15,584,206 |
| Cash and cash equivalents at the beginning of the year | 24,800,818 | 629,478 |
| Cash and cash equivalents at the end of the period | 58,026,231 | 16,213,684 |



BUA FOODS PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTHS ENDED 31ST DEC. 2021

1. NET REVENUE

| | YTD 31 Dec. 2021 =N= 000 | YTD 31 Dec. 2020 =N= 000 |
|------------------------------|-----------------------------|-----------------------------|
| Sales - Sugar(Non Fortified) | 79,621,381 | 36,400,408 |
| Sales - Sugar(Fortified) | 129,819,713 | 76,975,344 |
| Sales - Molasses | 417,814 | 153,023 |
| Sales - Bakery Flour/ Pasta | 118,568,796 | 75,517,662 |
| Sales - Wheat Bran | 5,245,840 | 3,813,600 |
| | <u>333,673,544</u> | <u>192,860,037</u> |

2. COST OF SALES

| | YTD 31 Dec. 2021 =N= 000 | YTD 31 Dec. 2020 =N= 000 |
|------------------------|-----------------------------|-----------------------------|
| Raw Materials | 204,244,637 | 106,041,986 |
| Energy | 11,551,419 | 6,777,275 |
| Depreciation | 8,195,542 | 6,534,631 |
| Other Factory Expenses | 6,427,979 | 8,596,288 |
| | <u>230,419,577</u> | <u>127,950,180</u> |

3. OTHER INCOME

| | YTD 31 Dec. 2021 =N= 000 | YTD 31 Dec. 2020 =N= 000 |
|--------------|-----------------------------|-----------------------------|
| Other Income | 1,553,103.02 | 1,541,581.47 |
| Scrap | 1,197.54 | 1,428.49 |
| Other Income | <u>1,554,301</u> | <u>1,543,010</u> |

4. COMPONENTS OF ADMINISTRATION EXPENSES

| | YTD 31 Dec. 2021 =N= 000 | YTD 31 Dec. 2020 =N= 000 |
|------------------------------------|-----------------------------|-----------------------------|
| Salaries,Wages & Benefit | 1,449,850 | 1,523,155 |
| Transport and Travelling | 15,994 | 24,024 |
| Medical | 29,795 | 38,108 |
| Expatriate expenses | 27,278 | 29,538 |
| Staff Welfare & Training | 79,786 | 269,767 |
| Electricity | 6,619 | 13,020 |
| Printing & Stationeries | 10,008 | 7,679 |
| Rent, Rate & Insurance | 189,551 | 313,332 |
| Subscription | 17,488 | 11,446 |
| Legal & Professional | 961,920 | 1,397,600 |
| Office Expenses | 402,500 | 1,179,029 |
| Maint & Repairs | 846,295 | 1,867,875 |
| Security Expenses | 48,337 | 76,694 |
| Advertisement | 182,672 | 225,324 |
| Cleaning & Water | 64,701 | 77,044 |
| Hotel,Accomodation,event space etc | 5,718 | 3,699 |
| Depreciation | 438,231 | 536,985 |
| | <u>4,776,742</u> | <u>7,594,319</u> |



BUA FOODS PLC

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BUA FOODS PLC

5a. PROPERTY, PLANT & EQUIPMENTS (COMPANY)

| COST | LAND & BUILDING =N= '000 | PLANT AND MACHINERY =N= '000 | FURNITURE & FITTINGS =N= '000 | OFFICE EQUIPMENTS =N= '000 | MOTOR VEHICLE =N= '000 | CWIP =N= '000 | TRUCKS =N= '000 | TOTAL =N= '000 |
|-------------------------------------|-----------------------------|---------------------------------|----------------------------------|-------------------------------|---------------------------|------------------|--------------------|--------------------|
| Balance as at January 1, 2021 | 11,170,849 | 198,450,771 | 70,571 | 79,602 | 453,743 | 677,785 | 2,097,662 | 213,000,983 |
| Addition | 2,047,655 | 9,972,857 | 15,547 | 25,064 | - | 5,656,268 | - | 17,717,392 |
| Balance at Dec. 31, 2021 | 13,218,505 | 208,423,628 | 86,118 | 104,666 | 453,743 | 6,334,053 | 2,097,662 | 230,718,375 |
| Balance as at January 1, 2020 | 11,170,849 | 198,422,370 | 58,912 | 62,760 | 424,017 | 677,785 | 2,097,662 | 212,914,355 |
| Addition | - | 28,401 | 11,659 | 16,842 | 29,726 | - | - | 86,628 |
| Balance at December 31, 2020 | 11,170,849 | 198,450,771 | 70,571 | 79,602 | 453,743 | 677,785 | 2,097,662 | 213,000,983 |
| ACCUMULATED DEPRECIATION | | | | | | | | |
| Balance as at January 1, 2021 | 1,797,510 | 25,381,143 | 62,134 | 76,400 | 352,668 | - | 2,046,302 | 29,716,156 |
| Charge for the period | 221,505 | 7,239,879 | 25,596 | 21,894 | 28,940 | - | - | 7,537,813 |
| Balance at Dec. 31, 2021 | 2,019,014 | 32,621,022 | 87,730 | 98,293 | 381,608 | - | 2,046,302 | 37,253,969 |
| Balance as at January 1, 2020 | 1,644,045 | 23,200,308 | 48,677 | 61,797 | 352,668 | - | 1,781,393 | 27,088,889 |
| Charge for the period | 153,465 | 2,180,835 | 13,457 | 14,602 | - | - | 264,909 | 2,627,267 |
| Balance at December 31, 2020 | 1,797,510 | 25,381,143 | 62,134 | 76,400 | 352,668 | - | 2,046,302 | 29,716,156 |
| NET BOOK VALUE | | | | | | | | |
| Balance at Dec. 31, 2021 | 11,199,490 | 175,802,606 | (1,612) | 6,373 | 72,135 | 6,334,053 | 51,360 | 193,464,402 |
| Balance at December 31, 2020 | 9,373,340 | 173,069,628 | 8,437 | 3,202 | 101,075 | 677,785 | 51,360 | 183,284,825 |

5a. PROPERTY, PLANT & EQUIPMENTS (GROUP)

| COST | LAND & BUILDING =N= '000 | PLANT AND MACHINERY =N= '000 | FURNITURE & FITTINGS =N= '000 | OFFICE EQUIPMENTS =N= '000 | MOTOR VEHICLE =N= '000 | CWIP =N= '000 | TRUCKS =N= '000 | TOTAL =N= '000 |
|-------------------------------------|-----------------------------|---------------------------------|----------------------------------|-------------------------------|---------------------------|-------------------|--------------------|--------------------|
| Balance as at January 1, 2021 | 11,170,849 | 198,477,939 | 72,571 | 87,894 | 453,743 | 71,136,873 | 2,097,662 | 283,497,532 |
| Addition | 2,047,655 | 13,621,796 | 27,330 | 30,149 | - | 9,656,268 | - | 25,383,199 |
| Balance at Dec. 31, 2021 | 13,218,505 | 212,099,736 | 99,901 | 118,043 | 453,743 | 80,793,141 | 2,097,662 | 308,880,731 |
| Balance as at January 1, 2020 | 11,170,849 | 198,449,538 | 60,912 | 71,052 | 424,017 | 71,136,873 | 2,097,662 | 283,410,904 |
| Addition | - | 28,401 | 11,659 | 16,842 | 29,726 | - | - | 86,628 |
| Balance at December 31, 2020 | 11,170,849 | 198,477,939 | 72,571 | 87,894 | 453,743 | 71,136,873 | 2,097,662 | 283,497,532 |
| ACCUMULATED DEPRECIATION | | | | | | | | |
| Balance as at January 1, 2021 | 1,797,510 | 25,381,143 | 62,134 | 76,400 | 352,668 | - | 2,046,302 | 29,716,156 |
| Charge for the period | 221,505 | 7,239,879 | 25,596 | 21,894 | 28,940 | - | - | 7,537,813 |
| Balance at Dec. 31, 2021 | 2,019,014 | 32,621,022 | 87,730 | 98,293 | 381,608 | - | 2,046,302 | 37,253,969 |
| Balance as at January 1, 2020 | 1,644,045 | 23,200,308 | 48,677 | 61,797 | 352,668 | - | 1,781,393 | 27,088,889 |
| Charge for the period | 153,465 | 2,180,835 | 13,457 | 14,602 | - | - | 264,909 | 2,627,267 |
| Balance at December 31, 2020 | 1,797,510 | 25,381,143 | 62,134 | 76,400 | 352,668 | - | 2,046,302 | 29,716,156 |
| NET BOOK VALUE | | | | | | | | |
| Balance at Dec. 31, 2021 | 11,199,490 | 179,478,714 | 12,171 | 19,750 | 72,135 | 80,793,141 | 51,360 | 271,626,758 |
| Balance at December 31, 2020 | 9,373,340 | 173,096,797 | 10,437 | 11,494 | 101,075 | 71,136,873 | 51,360 | 253,781,373 |

5.1

Revaluation of Property, Plant and Equipment

No recent revaluation has been done by the company. The Directors are of the opinion that the carrying value of property, Plant & machinery approximate its fair value.



BUA FOODS PLC

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31ST DEC. 2021**

| | COMPANY 31-Dec-21 =N= 000 | COMPANY 31-Dec-20 =N= 000 | GROUP 31-Dec-21 =N= 000 | GROUP 31-Dec-20 =N= 000 |
|---------------------------------|--|--|--|--|
| 5b. RIGHTS OF USE ASSET | | | | |
| Building leases | 122,194 | 122,194 | 2,131,099 | 2,131,099 |
| Accumulated Depreciation of ROU | (84,577) | (83,734) | (1,089,029) | (83,734) |
| Balance at end of period | <u>37,617</u> | <u>38,459</u> | <u>1,042,070</u> | <u>2,047,365</u> |
| 6. INVENTORIES | | | | |
| | 31-Dec-21 =N= | 31-Dec-20 =N= | 31-Dec-21 =N= | 31-Dec-20 =N= |
| Raw Materials | 14,811,525 | 38,530 | 23,826,533 | 5,208,685 |
| Work In Progress | 7,426,407 | 11,861,788 | 7,550,167 | 12,675,840 |
| Finished Goods | 1,156,657 | 2,051,590 | 1,156,657 | 2,051,590 |
| Packaging, Energy & Consumables | 1,623,520 | 457,891 | 2,119,300 | 457,891 |
| | <u>25,018,109</u> | <u>14,409,799</u> | <u>34,652,657</u> | <u>20,394,006</u> |

There is no amount of write-down of inventories recognised as an expense during the period.

None of the inventories of the Company were pledged as security for loans as at the reporting date.



BUA FOODS PLC

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31ST DEC. 2021**

| 7. TRADE AND OTHER RECEIVABLES | COMPANY | COMPANY | GROUP | GROUP |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 31-Dec-21 | 31-Dec-20 | 31-Dec-21 | 31-Dec-20 |
| | =N= 000 | =N= 000 | =N= 000 | =N= 000 |
| Prepayments | 5,028,442 | 177,797 | 5,045,230 | 177,797 |
| Trade Debtors | 12,323,088 | 15,469,805 | 12,323,088 | 15,469,805 |
| Other Receivables | 45,507,180 | 9,659,950 | 51,599,284 | 9,691,514 |
| | 62,858,711 | 25,307,553 | 68,967,603 | 25,339,117 |

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.



BUA FOODS PLC

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31ST DEC. 2021**

| 8. CASH AND SHORT TERM DEPOSITS | COMPANY | | GROUP | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 31-Dec-21 =N= 000 | 31-Dec-20 =N= 000 | 31-Dec-21 =N= 000 | 31-Dec-20 =N= 000 |
| Cash in hand | 2,821 | 147 | 20,252 | 147 |
| Cash in Bank | 60,513,776 | 19,382,260 | 60,524,125 | 19,387,524 |
| Short Term Investment | - | 6,292,454 | - | 6,292,454 |
| | <u>60,516,596</u> | <u>25,674,861</u> | <u>60,544,377</u> | <u>25,680,125</u> |

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The Company has not pledged part of its short-term deposits in order to fulfil collateral requirements with any Banks. Cash and Bank equivalent is exclusive of overdraft balance.

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following as at:

| | 31-Dec-21 =N= 000 | 31-Dec-20 =N= 000 | 31-Dec-21 =N= 000 | 31-Dec-20 =N= 000 |
|---------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Cash in Hand | 2,821 | 147 | 20,252 | 147 |
| Cash in bank | 60,513,776 | 19,382,260 | 60,524,125 | 19,387,524 |
| Fixed deposit | - | 6,292,454 | - | 6,292,454 |
| Overdraft | (2,518,146) | (9,466,442) | (2,518,146) | (9,466,442) |
| | <u>57,998,450</u> | <u>16,208,420</u> | <u>58,026,231</u> | <u>16,213,684</u> |



BUA FOODS PLC

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31ST DEC. 2021**

9. SHARE CAPITAL

| | 31-Dec-21 | 31-Dec-20 |
|---|-------------------------|----------------------|
| | =N= 000 | =N= 000 |
| 9a Authorised | | |
| 18,000,000,000 Ordinary shares of No.50k each | <u>9,000,000</u> | <u>29,538</u> |
| 9b Issued and fully paid | | |
| 18,000,000,000 Ordinary shares of No.50k each | <u>9,000,000</u> | <u>29,538</u> |



BUA FOODS PLC
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31ST DEC. 2021

10. BORROWINGS

Non-Current Borrowings

10a. Long Term

Bank loans

7,838,874

3,834,509

10b - Short term facilities

Short term Loan

113,503,818

124,403,218

Total Borrowings

121,342,692

128,237,727

Movement in borrowings are analysed as follows:

Period Ended December 31, 2021

Opening amount as at January 1, 2021

128,237,726

Repayments of borrowings

(6,895,034)

Closing amount as at Dec. 31, 2021

121,342,692

Year Ended December 31, 2020

Opening amount as at January 1, 2020

102,373,310

Additional drawdowns in the year

102,732,002

Principal repayments

(78,438,177)

Interest absorbed by Related parties

2,575,671

Interest expenses

2,221,030

Foreign Exchange loss on translation of borrowings

752,294

Interest paid

(3,978,404)

Closing amount as at December 31, 2020

128,237,726

Net debt comprises:

Cash and cash equivalents

60,544,377

25,680,125

Borrowings - current

(121,342,692)

(128,237,727)

Borrowings - overdraft

(2,518,146)

(9,466,442)

Net debt

(63,316,461)

(112,024,043)

GROUP
31-Dec-21
=N= 000

GROUP
31-Dec-20
=N= 000

31-Dec-21
=N=

31-Dec-20
=N=



BUA FOODS PLC

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED 31ST DEC. 2021**

| | COMPANY | | GROUP | |
|--|--------------------|-------------------|--------------------|--------------------|
| | 31-Dec-21 | 31-Dec-20 | 31-Dec-21 | 31-Dec-20 |
| | =N= 000 | =N= 000 | =N= 000 | =N= 000 |
| 11. CREDITORS, ACCRUALS AND OTHER CURRENT LIABILITIES | | | | |
| Provisions and Accruals/ Accrued Audit Fees | 26,533,406 | 9,223,590 | 26,545,806 | 29,614,592 |
| Other Payables | 28,174,552 | 23,380,440 | 106,513,565 | 77,042,372 |
| Intercompany | 26,613,121 | 19,730,300 | 26,857,375 | 19,730,300 |
| Trade Creditors/ Other Current Liabilities | 6,098,896 | 2,472,763 | 14,977,074 | 2,472,763 |
| Customers Deposit | 48,298,666 | 44,904,496 | 48,298,666 | 44,904,496 |
| Lease Liabilities- Current | 47 | 22 | 47 | 22 |
| | 135,718,689 | 99,711,610 | 223,192,535 | 173,764,544 |