



BUA Foods Plc RC 621320

UNAUDITED FINANCIAL STATEMENTS



FOR THE NINE MONTHS ENDED
30TH SEPTEMBER, 2022

www.buafoodsplc.com

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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.

1. 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 five 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.

Statement of Significant Accounting Policies *contd.*

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.

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 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

Statement of Significant Accounting Policies *contd.*

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.

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.

Statement of Significant Accounting Policies *contd.*

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 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.

Statement of Significant Accounting Policies contd.

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.

8. 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.

9. 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).

10. 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.

Statement of Significant Accounting Policies contd.

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.

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.

11. 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.

Statement of Significant Accounting Policies contd.

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.

12. 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.

13. 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.

14. 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.

15. 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.

Statement of Significant Accounting Policies contd.

16. 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.

17. 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.

18. 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.

19. COMPARATIVE FIGURES

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

Statement of Profit or Loss and Other Comprehensive Income for Three Months Ended

	Unaudited	Unaudited	Unaudited	Unaudited
	Q3 2022	Q3 2021	Q3 2022	Q3 2021
Notes	₦'000	₦'000	₦'000	₦'000
	Group	Group	Company	Company
Turnover	120,467,093	86,509,497	86,450,747	58,427,912
Cost of Sales	79,393,637	59,949,550	62,527,805	39,533,529
Gross Profit	41,073,456	26,559,947	23,922,942	18,894,383
Administrative expenses	1,894,813	1,467,702	1,449,595	1,301,074
Selling & distribution expenses	5,479,305	3,324,889	4,750,793	2,417,094
Operating Profit	33,699,338	21,767,356	17,722,554	15,176,216
Other income	432,620	388,416	431,699	387,930
Finance Charges	2,251,224	2,334,404	2,149,070	1,991,451
Net Profit/(Loss)Before Tax	31,880,734	19,821,368	16,005,182	13,572,695
Income Taxes	1,835,682	1,631,753	1,835,682	1,631,753
Net Profit After Tax	30,045,052	18,189,615	14,169,500	11,940,942
EPS	1.67	1.01	0.79	0.66

Statement of Profit or Loss and Other Comprehensive Income for Nine Months Ended

		Unaudited	Unaudited	Unaudited	Unaudited
		YTD 30TH SEPT 2022	YTD 30TH SEPT 2021	YTD 30TH SEPT 2022	YTD 30TH SEPT 2021
	Notes	₦'000	₦'000	₦'000	₦'000
		Group	Group	Company	Company
Turnover	1	289,819,825	241,078,629	221,650,393	166,001,829
Cost of Sales	2	195,641,326	158,825,185	159,203,255	109,825,155
Gross Profit		94,178,499	82,253,445	62,447,138	56,176,674
Administrative expenses	4a	4,488,851	5,497,224	3,290,455	4,486,216
Selling & distribution expenses	4b	10,353,073	7,824,500	9,123,930	5,498,228
Operating Profit		79,336,575	68,931,720	50,032,752	46,192,230
Other income	3	1,327,858	1,162,522	1,325,604	1,161,498
Finance Charges		6,396,131	6,513,947	6,152,429	5,833,390
Net Profit/(Loss)Before Tax		74,268,302	63,580,296	45,205,927	41,520,337
Income Taxes		5,507,047	4,895,260	5,507,047	4,895,260
Net Profit After Tax		68,761,255	58,685,036	39,698,880	36,625,077
EPS		3.82	3.26	2.21	2.03

Statement of Financial Position as at

	Notes	Unaudited	Audited	Unaudited	Audited
		YTD 30TH SEPT 2022	YTD 31ST DEC 2021	YTD 30TH SEPT 2022	YTD 31ST DEC 2021
		₦'000	₦'000	₦'000	₦'000
Assets					
Non-current assets		Group	Group	Company	Company
Property, Plant and Equipments	5	323,623,825	321,675,653	247,797,753	248,630,430
Right of Use Assets	6	282,490	1,036,460	31,377	32,008
Biological assets		676,550	543,901	-	-
Investment in subsidiaries		-	-	407,670	407,670
Total Non-Current Assets		324,582,866	323,256,014	248,236,800	249,070,108
Current Assets					
Inventories	7	33,146,986	24,926,471	21,224,203	15,249,639
Trade and other receivables	8	115,244,324	52,160,076	115,082,603	52,142,637
Due from Related Companies		116,000,307	162,788,169	165,081,639	235,897,154
Cash and Short Term Deposits	9	41,423,488	30,338,785	41,397,151	30,314,360
Total Current Assets		305,815,106	270,213,501	342,785,596	333,603,790
Total Assets		630,397,972	593,469,515	591,022,396	582,673,898
Liabilities and Equity					
Equity					
Share Capital	10	9,000,000	9,000,000	9,000,000	9,000,000
Reorganisation and other reserves		(943,228)	(943,228)	391,961	391,961
Retained Earnings		198,423,153	192,661,901	167,899,723	191,200,843
Total Equity		206,479,925	200,718,673	177,291,684	200,592,804
Liabilities					
Non-current liabilities					
Deferred Tax Liabilities		15,225,187	15,225,186	15,225,187	15,225,186
Borrowings		3,707,768	4,889,870	3,707,768	4,889,870
Lease Liabilities		33,571	33,611	33,571	33,611
Deposit for Shares		32,243,723	32,243,723	32,243,723	32,243,723
Total Non-Current Liabilities		51,210,249	52,392,390	51,210,249	52,392,390
Current Liabilities					
Contract Liabilities		59,957,258	40,931,459	59,957,258	40,931,459
Current Income Tax Liabilities		17,179,348	12,778,745	17,179,348	12,778,745
Lease Liabilities		1,457,640	4,292,441	4,187	4,165
Bank Overdraft	9	10,950,136	2,851,413	10,950,136	2,851,413
Borrowings	11	221,147,457	241,159,110	221,147,457	241,159,110
Trade and Other Payables	12	62,015,959	38,345,284	53,282,077	31,963,812
Total Current Liabilities		372,707,797	340,358,452	362,520,463	329,688,704
Total Liabilities		423,918,046	392,750,842	413,730,711	382,081,094
Total Liabilities and Equity		630,397,972	593,469,515	591,022,396	582,673,898

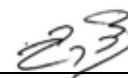
The financial statements and notes on pages 9 to 18 were approved by the Board of Directors on 14th October, 2022 and signed on its behalf by:



Abdul Samad Rabiu
Chairman
FRC/2014/IODN/00000010111



Ayodele Abioye
Managing Director
FRC/2022/PRO/FORM/C07/003/00000023864



Abdulrasheed Olayiwola
Chief Finance Officer
FRC/2014/ICAN/00000010407

Unaudited Statement of Changes in Equity For the Month Ended 30th September 2022

Group	Share Capital	Retained Earnings	Reorganization and Other Reserves	Total Equity
	₦'000	₦'000	₦'000	₦'000
Balance as at 1 January 2022	9,000,000	192,661,901	(943,228)	200,718,673
Profit for the period	-	68,761,255	-	68,761,255
Dividend paid		(63,000,000)	-	(63,000,000)
Balance as at 30 September 2022	9,000,000	198,423,153	(943,228)	206,479,928
Balance as at 1 January 2021	20,000	133,976,865	-	133,996,865
Profit for the period	-	58,685,036	-	58,685,036
Balance as at 30 September 2021	20,000	192,661,901	-	192,681,901
Company				
Balance as at 1 January 2022	9,000,000	191,200,843	391,961	200,592,804
Profit for the period	-	39,698,880	-	39,698,880
Dividend paid		(63,000,000)	-	(63,000,000)
Balance as at 30 September 2022	9,000,000	167,899,723	391,961	177,291,684
Balance as at 1 January 2021	20,000	154,575,766	-	154,595,766
Profit for the period	-	36,625,077	-	36,625,077
Balance as at 30 September 2021	20,000	191,200,843	-	191,220,843

Statement Of Cash Flows For The Month Ended

	Unaudited YTD 30TH SEPT 2022	Unaudited YTD 30TH SEPT 2021	Unaudited YTD 30TH SEPT 2022	Unaudited YTD 30TH SEPT 2021
	₦'000	₦'000	₦'000	₦'000
	Group	Group	Company	Company
Cash Flows From Operating Activities				
Profit for the period	74,268,302	63,580,296	45,205,927	41,520,337
Adjustments for:	-	-	-	-
Depreciation of Property, Plant and Equipments	4,967,721	5,167,319	4,720,848	4,945,741
Depreciation of right of use	753,972	753,972	632	632
Finance Income	-	-	-	-
Finance Cost	6,511,974	6,513,947	6,268,273	5,833,390
SUB TOTAL	86,501,969	76,015,533	56,195,679	52,300,101
Changes in contract Liabilities	23,805,322	13,678,392	23,805,324	13,673,971
Changes in receivables from customers	(39,619,247)	(34,736,171)	(39,474,964)	(34,728,460)
Changes in Due from related companies	34,019,562	(54,171,016)	58,047,213	(32,273,773)
Changes in inventory	(16,590,665)	(1,496,654)	(14,344,711)	(806,291)
Changes in payable to suppliers	16,564,604	23,899,249	14,212,196	21,557,895
Changes lease liabilities	205,152	518,071	(26)	(13)
SUB TOTAL	18,384,728	(52,308,129)	42,245,032	(32,576,671)
Cash from operating activities	104,886,697	23,707,404	98,440,712	19,723,430
Tax paid	(1,106,444)	-	(1,106,444)	-
Net Cash from operating activities	103,780,253	23,707,404	97,334,268	19,723,430
Cash flows from investing activities				
Acquisition / Disposal of property, plant and equipment	(6,915,893)	(4,223,981)	(3,888,171)	(1,116,688)
Purchase of biological assets	(132,650)	-	-	-
Net Cash used in investing activities	(7,048,543)	(4,223,981)	(3,888,171)	(1,116,688)
Cash flows from financing activities				
Proceed from borrowings	46,339,221	11,124,747	46,339,221	11,124,747
Repayment of borrowings	(67,532,977)	(31,962,783)	(67,532,977)	(31,962,783)
Finance cost paid	(6,511,974)	(6,513,947)	(6,268,273)	(5,833,390)
Lease liability payment	(3,040,000)	-	-	-
Dividend paid	(63,000,000)	-	(63,000,000)	-
Net Cash from financing activities	(93,745,730)	(27,351,982)	(90,462,028)	(26,671,426)
Net increase/(decrease) in cash and cash equivalents	2,985,980	(7,868,560)	2,984,068	(8,064,684)
Cash and cash equivalents at the beginning of the period	27,487,372	16,216,492	27,462,947	16,208,420
Cash and cash equivalents at the end of the period	30,473,353	8,347,932	30,447,015	8,143,735

Notes To The Unaudited Financial Statements For The Nine Months Ended 30th September 2022

	Unaudited YTD 30TH SEPT 2022	Unaudited YTD 30TH SEPT 2021	Unaudited YTD 30TH SEPT 2022	Unaudited YTD 30TH SEPT 2021
	₦'000	₦'000	₦'000	₦'000
	Group	Group	Company	Company
1. Net Revenue				
Sales - Sugar(Non Fortified)	96,596,969	61,114,481	54,449,645	57,439,869
Sales - Sugar(Fortified)	83,734,041	93,344,105	57,902,446	22,035,684
Sales - Molasses	627,535	315,488	437,023	221,721
Sales - Bakery Flour	62,056,574	44,158,413	62,056,574	44,158,413
Sales - Pasta	42,690,795	38,162,922	42,690,795	38,162,922
Sales - Wheat Bran	4,113,910	3,983,220	4,113,910	3,983,220
Total	289,819,825	241,078,629	221,650,393	166,001,829
2. Cost of Sales				
Raw Materials	173,528,404	136,986,341	141,843,836	93,062,971
Energy	8,242,510	8,786,784	5,915,589	6,053,328
Depreciation	5,207,425	5,444,383	4,454,086	4,691,044
Other Factory Expenses	8,662,987	7,607,677	6,989,745	6,017,813
Total	195,641,326	158,825,185	159,203,255	109,825,155
3. Other Income				
Interest Income	39,721	-	39,721	-
Scrap	28,557	22,522	26,303	21,498
Lease Rental	1,140,000	1,140,000	1,140,000	1,140,000
Other income	119,580	-	119,580	-
Total	1,327,858	1,162,522	1,325,604	1,161,498
4a. Components of Administration Expenses				
Salaries,Wages & Benefit	1,269,158	1,042,075	1,049,113	825,766
Transport and Travelling	100,532	16,960	100,175	16,495
Medical	17,516	21,605	15,032	18,134
Expatriate expenses	115,768	112,803	103,818	93,828
Entertainment	3,522	3,491	1,680	1,907
Staff Welfare & Training	70,751	22,914	66,060	21,777
Electricity	4,980	5,359	1,909	2,864
Printing & Stationeries	29,884	23,674	25,682	20,041
Rent, Rate & Insurance	160,574	95,544	47,292	91,079
Office Maintenance	9,629	35,201	9,210	35,201
Donations	93,202	37,046	93,202	37,046
Telephone & Internet	7,129	4,990	7,102	4,963
Subscription	22,453	6,694	20,438	4,766
Legal & Professional	38,106	29,340	10,156	29,340
Postages & Courier	1,131	2,360	774	2,360
General Expenses	885,021	2,293,654	371,980	1,782,943
Security Expenses	93,377	58,394	76,381	51,795
Diesel & Fuel	176,355	91,378	165,427	88,772
Advertisement	36,827	14,370	32,528	14,091
Cleaning & Water	66,320	41,885	56,553	30,504
Hotel, Accomodation, Event Space etc	48,559	4,801	46,713	2,834
Maint & Repairs	723,790	1,055,780	721,836	1,054,382
Depreciation	514,266	476,907	267,393	255,329
Total	4,488,851	5,497,224	3,290,455	4,486,216
4b. Selling and Distribution Expenses				
Selling & Distribution Expenses	10,353,073	7,824,500	9,123,930	5,498,228

Notes to the Unaudited Financial Statements for the Nine Months ended 30th September 2022

5a. Property, Plant & Equipments (Group)

Cost	Land & Building ₦'000	Plant & Machinery ₦'000	Furniture & Fittings ₦'000	Motor Vehicle ₦'000	Truck ₦'000	Office Equipment ₦'000	CWIP ₦'000	Total Cost ₦'000
Balance as at January 1, 2022	11,230,841	170,861,519	299,608	717,671	2,097,662	520,431	174,803,817	360,531,549
Addition	6,916	128,197	20,290	121,818	-	70,844	6,567,829	6,915,894
Balance as at September 30, 2022	11,237,757	170,989,716	319,898	839,489	2,097,662	591,275	181,371,646	367,447,443
Balance as at January 1, 2021	11,111,808	170,779,415	253,176	689,071	2,097,662	489,495	67,815,187	253,235,814
Addition	119,033	82,104	46,432	28,600	-	30,936	106,988,630	107,295,735
Balance at December 31, 2021	11,230,841	170,861,519	299,608	717,671	2,097,662	520,431	174,803,817	360,531,549
Accumulated Depreciation								
Balance as at January 1, 2022	1,873,159	33,874,407	177,734	579,716	1,999,613	351,267	-	38,855,896
Charge of the period	166,193	4,600,965	45,819	52,421	-	102,328	-	4,967,726
Balance as at September 30, 2022	2,039,352	38,475,372	223,553	632,137	1,999,613	453,595	-	43,823,622
Balance as at January 1, 2021	1,636,392	26,895,891	120,391	509,639	2,046,302	251,551	-	31,460,166
Charge for the period	236,767	6,978,516	57,343	70,077	(46,689)	99,716	-	7,395,730
Balance as at December 31, 2021	1,873,159	33,874,407	177,734	579,716	1,999,613	351,267	-	38,855,896
Net Book Value								
Balance as at September 30, 2022	9,198,405	132,514,344	96,345	207,352	98,049	137,680	181,371,646	323,623,825
Balance at December 31, 2021	9,357,682	136,987,112	121,874	137,955	98,049	169,164	174,803,817	321,675,653

5b. Property, Plant & Equipments (Company)

Cost	Land & Building ₦'000	Plant & Machinery ₦'000	Furniture & Fittings ₦'000	Motor Vehicle ₦'000	Truck ₦'000	Office Equipment ₦'000	CWIP ₦'000	Total Cost ₦'000
Balance as at January 1, 2022	10,253,300	170,030,777	140,079	624,349	2,097,662	142,350	103,460,505	286,749,022
Addition	-	121,403	18,736	62,218	-	17,744	3,668,072	3,888,173
Balance as at September 30, 2022	10,253,300	170,152,180	158,815	686,567	2,097,662	160,094	107,128,577	290,637,195
Balance as at January 1, 2021	10,245,896	169,752,823	123,694	624,349	2,097,662	112,617	336,476	183,293,517
Addition	7,404	277,954	16,385	-	-	29,733	103,124,029	103,455,505
Balance as at December 31, 2021	10,253,300	170,030,777	140,079	624,349	2,097,662	142,350	103,460,505	286,749,022
Accumulated Depreciation								
Balance as at January 1, 2022	1,846,970	33,535,576	100,711	524,024	1,999,613	111,698	-	38,118,592
Charge of the period	159,735	4,490,742	21,777	26,231	-	22,368	-	4,720,853
Balance as at September 30, 2022	2,006,705	38,026,318	122,488	550,255	1,999,613	134,066	-	42,839,445
Balance as at January 1, 2021	1,624,424	26,490,386	74,323	477,277	2,046,302	85,112	-	30,797,824
Charge for the period	222,546	7,045,190	26,388	46,747	(46,689)	26,586	-	7,320,768
Balance as at December 31, 2021	1,846,970	33,535,576	100,711	524,024	1,999,613	111,698	-	38,118,592
Net Book Value								
Balance as at September 30, 2022	8,246,595	132,125,862	36,327	136,312	98,049	26,028	107,128,577	247,797,753
Balance at December 31, 2021	8,406,330	136,495,201	39,368	100,325	98,049	30,652	103,460,505	248,630,430

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.

Notes to the Unaudited Financial Statements for the Nine Months ended 30th September 2022

	Unaudited YTD 30TH SEPT 2022	Audited YTD 31ST DEC 2021	Unaudited YTD 30TH SEPT 2022	Audited YTD 31ST DEC 2021
	₦'000	₦'000	₦'000	₦'000
	Group	Group	Company	Company
6. Rights of Use Asset				
Building leases	3,047,051	3,136,394	33,693	123,036
Accumulated Depreciation of ROU	(2,764,561)	(2,099,934)	(2,316)	(91,028)
Balance at end of period	282,490	1,036,460	31,377	32,008
7. Inventories				
Raw Materials	26,825,230	11,415,957	16,908,217	2,504,859
Work In Progress	757,451	327,155	659,379	221,749
Finished Goods	3,557,920	3,454,544	2,076,836	3,252,043
Packaging, Energy & Consumables	2,006,386	1,358,665	1,579,771	900,838
Goods in Transit	-	8,370,150	-	8,370,150
Balance at end of period	33,146,986	24,926,471	21,224,203	15,249,639
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 loan as at the reporting date.				
8. Trade and Other Receivables				
Prepayments	4,046,173	292,269	3,964,027	275,482
Trade Debtors	2,572,965	1,740,877	2,572,965	1,740,877
Other Receivables	108,625,187	50,126,930	108,545,611	50,126,278
Balance at end of period	115,244,324	52,160,076	115,082,603	52,142,637
All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.				
9. Cash and Short Term Deposits				
Cash at Hand	7,907	169,574	2,729	151,788
Cash in Bank	41,415,582	30,169,211	41,394,422	30,162,572
Balance at end of period	41,423,488	30,338,785	41,397,151	30,314,360
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:				
Cash at Hand	7,907	169,574	2,729	151,788
Cash in Bank	41,415,582	30,169,211	41,394,422	30,162,572
Overdraft	(10,950,136)	(2,851,413)	(10,950,136)	(2,851,413)
Balance at end of period	30,473,353	27,487,372	30,447,015	27,462,947

Notes to the Unaudited Financial Statements for the Nine Months ended 30th September 2022

	Unaudited YTD 30TH SEPT 2022	Unaudited YTD 30TH SEPT 2021	Unaudited YTD 30TH SEPT 2022	Unaudited YTD 30TH SEPT 2021
	₦'000	₦'000	₦'000	₦'000
10. Share Capital	Group	Group	Company	Company
10a. Authorised				
18,000,000,000 Ordinary shares of N0.50k each	9,000,000	-	9,000,000	-
40,000,000 Ordinary shares of N0.50k each	-	20,000	-	20,000
10b. Issued and Fully Paid				
18,000,000,000 Ordinary shares of N0.50k each	9,000,000	-	9,000,000	-
40,000,000 Ordinary shares of N0.50k each	-	20,000	-	20,000
11a. Borrowings	Unaudited YTD 30TH SEPT 2022	Audited YTD 31ST DEC 2021	Unaudited YTD 30TH SEPT 2022	Audited YTD 31ST DEC 2021
Non-Current Borrowings				
Bank borrowings	3,707,768	4,889,870	3,707,768	4,889,870
Current				
Short term loan	221,147,457	241,159,110	221,147,457	241,159,110
Total Borrowings	224,855,225	246,048,980	224,855,225	246,048,980
11b. Movement in Borrowings are Analysed as Follows:				
Opening amount as at 1st January	246,048,980	128,237,727	246,048,980	128,237,727
Additional drawdowns in the year	46,339,221	269,733,940	46,339,221	269,733,940
Principal repayments	(67,532,977)	(153,138,049)	(67,532,977)	(153,138,049)
Interest expenses	6,264,487	2,980,794	6,264,487	2,980,794
Interest paid	(6,264,487)	(1,765,432)	(6,264,487)	(1,765,432)
Total Borrowings	224,855,225	246,048,980	224,855,225	246,048,980
11c. Net Debt Comprises				
Cash and cash equivalents	(41,423,488)	(30,338,785)	(41,397,151)	(30,314,360)
Borrowings - current	221,147,457	241,159,110	221,147,457	241,159,110
Borrowings - non-current	3,707,768	4,889,870	3,707,768	4,889,870
Borrowings - overdraft	10,950,136	2,851,413	10,950,136	2,851,413
Net debt	194,381,872	218,561,608	194,408,209	218,586,033
12. Trade and Other Payables				
Provisions and Accruals/ Accrued Audit Fees	342,443	61,750	187,394	61,750
Other Payables	4,534,405	3,061,757	4,500,904	2,965,019
Trade Creditors/ Other Current Liabilities	12,586,554	3,858,564	11,471,068	3,614,311
Withholding/ Value Added Tax Payables	44,552,556	31,363,213	37,122,711	25,322,732
Total	62,015,959	38,345,284	53,282,077	31,963,812

Notes to the Unaudited Financial Statements for the Nine Months ended 30th September 2022

13. SHAREHOLDING STRUCTURE/FREE FLOAT DECLARATION

Description	30 SEPTEMBER 2022	
	Units	Percentage
Issue Share Capital	18,000,000,000	100%
Details of Substantial Shareholdings (5% and Above)		
Abdulsamad Rabi, (CON); Direct Holdings	16,172,601,967	89.85%
Total Substantial Shareholdings	16,172,601,967	89.85%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interest		
Abdulsamad Rabi, (CON); (Indirect - Representing BUA Industries Limited)	500,485,433	2.78%
Ayodele Abioye	250,000	0.00%
Abdulrasheed Olayiwola	250,000	0.00%
Kabiru Rabi	1,401,654	0.01%
Chimaobi Madukwe	110,035	0.00%
Rashid Ur Imran	-	0.00%
Finn Arnoldsen	250,000	0.00%
Total Directors' Shareholdings	502,747,122	2.79%
Other Influential Shareholdings		
Rabi Abdulsamad Isyaku	473,628,201	2.63%
Total Other Influential Shareholdings	473,628,201	2.63%
Free Float Units and Percentage	851,022,710	4.73%
Free Float in Value		
Close Price - 30th September = N58.30	49,614,623,993	

Description

BUA Foods Plc with a free float value of N49,614,623,993.00 as at 30, September 2022 is compliant with the Nigerian Exchange Group's "The NGX" free float requirements for companies on the Main Board.



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