Cadbury Nigeria Plc

Un-audited Interim Financial Information for the Year Ended 31 December 2022

Content

Financial highlights
For the Year Ended 31 December 2022
In thousands of naira

	Un-audited YTD 2022	Audited YTD 2021	Change %
Revenue	55,212,617	42,372,034	30
Gross profit	7,765,037	6,477,633	20
Results from operating activities	247,214	491,468	(50)
Profit before tax	1,351,561	1,097,917	23
Profit for the year	946,093	449,712	110
Share capital	939,101	939,101	-
Total equity	13,641,935	13,636,354	0
Data per 50k share			
Basic earnings per share	50.37	23.94	110
Net asset per share	726	726	0

Statement of financial position
In thousands of naira

	Note	Un-audited 31 December 2022	Audited 31 December 2021
Assets			
Non-current assets			
Property, plant and equipment	9	14,070,993	13,018,307
Right-of use assets	18	38,973	21,331
Intangible assets	10	6,813	13,075
Total non-current assets		**14,116,779**	**13,052,713**
Current assets			
Inventories	11	11,913,166	8,100,730
Trade and other receivables	12	5,159,941	4,053,339
Prepayments	13	1,071,815	657,378
Cash and cash equivalents	14	27,447,778	17,824,131
Total current assets		**45,592,700**	**30,635,578**
Total assets		**59,709,479**	**43,688,291**
Equity			
Share capital		939,101	939,101
Share premium		272,344	272,344
Other reserves	15	3,436,348	3,436,348
Share based payment reserve		153,220	153,220
Retained earnings		8,840,922	8,835,341
Total Equity		**13,641,935**	**13,636,354**
Liabilities			
Non-current liabilities			
Borrowings	19	7,588,788	6,596,083
Deferred taxation		758,240	758,240
Employee benefits		595,006	668,017
Lease liabilities	18	12,494	4,890
Total non-current liabilities		**8,954,528**	**8,027,230**
Current liabilities			
Borrowings	19	16,219,870	3,884,269
Trade and other payables	16	20,484,918	18,030,034
Current tax liabilities	8	407,622	110,296
Lease Liabilities	18	606	108
Current liabilities		**37,113,016**	**22,024,707**
Total liabilities		**46,067,544**	**30,051,937**
Total equity and liabilities		**59,709,479**	**43,688,291**

Approved by the Board of Directors on 24 January 2022 and signed on its behalf by:

Oyeyimika Adeboye

Oyeyimika Adeboye (Managing Director)
FRC/2013/ICAN/00000001089

Ogaga Ologe (Finance Director)
FRC/2013/ICAN/00000001091

The accompanying notes on pages 7 to 25 form an integral part of these financial statements.

Statement of profit or loss and other comprehensive income
For the Year Ended 31 December 2022
In thousands of naira

	Note	Un-audited 1 Oct-31 Dec 2022	Un-audited YTD 31 Dec 2022	Un-audited 1 Oct-31 Dec 2021	Audited YTD 31 Dec 2021
CONTINUING OPERATIONS					
Revenue	5	12,672,600	55,212,617	12,324,979	42,372,034
Cost of sales		(13,283,312)	(47,447,580)	(11,443,000)	(35,894,401)
Gross profit		**(610,712)**	**7,765,037**	**881,979**	**6,477,633**
Other income	6	1,549	81,530	2,138	24,075
Selling and distribution expenses		(2,302,231)	(6,352,928)	(1,662,051)	(5,060,571)
Administrative expenses		(153,038)	(1,246,425)	(471,836)	(949,669)
RESULTS FROM OPERATING ACTIVITIES		**(3,064,432)**	**247,214**	**(1,249,770)**	**491,468**
Net finance income	7	392,184	1,104,347	274,246	606,449
(LOSS) / PROFIT BEFORE INCOME TAX		**(2,672,248)**	**1,351,561**	**(975,524)**	**1,097,917**
Income tax credit/ (expense)	8	801,675	(405,468)	292,657	(648,205)
(LOSS)/ PROFIT FOR THE YEAR		**(1,870,573)**	**946,093**	**(682,867)**	**449,712**
OTHER COMPREHENSIVE INCOME		**-**	**-**		
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR		**(1,870,573)**	**946,093**	**(682,867)**	**449,712**
Basic (loss)/ earning per share (kobo)		(99.59)	50.37	(36.36)	23.94

The accompanying notes on pages 7 to 25 form an integral part of these financial statements.

Statement of changes in equity
Attributable to equity owners of the company
For the Year Ended 31 December 2022
In thousands of naira

	Share capital	Share premium	Other reserve	Share based reserve	Retained earnings	Total equity
Balance at 1 January 2022	939,101	272,344	3,436,348	153,220	8,835,341	13,636,354
Comprehensive income for the year						
Profit for the year	-	-	-	-	946,093	946,093
Other Comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	946,093	946,093
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	(940,512)	(940,512)
Total transactions with owners	-	-	-	-	(940,512)	(940,512)
Balance at 31 December 2022	**939,101**	**272,344**	**3,436,348**	**153,220**	**8,840,922**	**13,641,935**

In thousands of naira	Share capital	Share premium	Other reserve	Shared based payment	Retained earnings	Total equity
Balance at 1 January 2021	**939,101**	**272,344**	**3,436,348**	**117,359**	**8,784,371**	**13,549,523**
Comprehensive income for the year						
Profit for the year	-	-	-	-	449,712	449,712
Other Comprehensive income	-	-	-	-		-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**449,712**	**449,712**
Transactions with owners, recorded directly in equity						
Dividends to equity holders	-	-	-	-	(338,077)	(338,077)
Dividend write-back	-	-	-	-	(60,665)	(60,665)
Equity settled share based payment transaction	-	-	-	35,861	-	35,861
Total transactions with owners	-	-	-	35,861	(398,742)	(362,881)
Balance at 31 December 2021	**939,101**	**272,344**	**3,436,348**	**153,220**	**8,835,341**	**13,636,354**

The accompanying notes on pages 7 to 25 form an integral part of these financial statements.

Statement of cashflows
For the Year Ended 31 December 2022
In thousands of naira

	Note	Un-audited 2022	Audited 2021
Cashflows from operating activities			
Profit before tax		1,351,561	1,097,917
Adjustments for:			
Depreciation of property, plant & equipment	9	1,462,150	1,323,838
Depreciation of ROU asset	18(b)	18,238	15,851
Amortisation of intangible assets	10	6,262	39,243
Adjustment - depreciation on Land	9	(175,286)	-
Equity settled share-based payment transaction		-	35,861
Finance income	7	(1,608,174)	(856,025)
Exchange difference		(160,969)	(63,231)
Gain on disposal of property, plant and equipment	6	(36,479)	(420)
Gain on lease modification		(1,219)	-
Accretion of interest	18(a)	621	1,046
Interest on borrowings	19	503,206	248,530
Expense/(Credit) for employee benefits		132,363	(1,368,499)
		1,492,274	**474,112**
Change in:			
Inventories		(3,812,436)	(2,856,684)
Trade and other receivables		(1,206,918)	(208,899)
Prepayments		(414,437)	(489,043)
Trade and other payables		3,433,734	8,482,935
Cash (used in)/generated from operating activities		**(507,783)**	**5,402,420**
Employee benefits paid		(205,374)	(2,924,913)
Income tax paid		(7,826)	(99,446)
VAT paid		(1,762,145)	(1,704,047)
Net cash (used in)/ generated from operating activities		**(2,483,127)**	**674,014**
Cashflow from investing activities			
Finance income	7	1,608,174	856,025
Proceeds from disposal of property, plant and equipment		103,771	6,638
Acquisition of property, plant and equipment	9	(2,406,842)	(1,588,980)
Net cash used in investing activities		**(694,897)**	**(726,317)**
Cashflow from financing activities			
Dividends paid		(157,218)	(57,632)
Addition - intercompany loan		-	6,115,025
Additions - Import finance facilities		14,219,167	5,162,379
Repayment- Import finance facilities		(1,883,566)	(4,728,833)
Exchange loss on Intercompany loan	19	489,499	232,528
Lease liabilities paid	18a	(27,180)	(25,970)
Net cash from financing activities		**12,640,702**	**6,697,496**
Net increase in cash and cash equivalents		9,462,678	6,645,193
Cash and cash equivalent at 1 January		17,824,131	11,115,707
Exchange gain on foreign currency cash and cash equivalents		160,969	63,231
Cash and cash equivalent at 31 December		**27,447,778**	**17,824,131**

The accompanying notes on pages 7 to 25 form an integral part of these financial statements.

Notes to the financial statements

1 Reporting entity

Cadbury Nigeria Plc is a company domiciled in Nigeria. The address of the Company's registered office is Lateef Jakande Road, Ikeja, Lagos. The Company is principally engaged in the manufacture and sale of branded fast moving consumer goods mostly to the Nigerian market, but also for exports.

The Company's brands fall into four principal categories, namely refreshment beverages, confectionery, biscuit and intermediate cocoa products. Cadbury Bournvita and 3-in-1 Hot Chocolate are the refreshment beverages, Tom Tom, Candy Caramel, Candy Coffee, Buttermint and Clorets gum are the confectionery products, Bournvita Biscuit is the biscuit category while Cocoa Butter is a key product in the intermediate cocoa category.

Cadbury Nigeria Plc is owned 74.97% (2021: 74.97%) by Cadbury Schweppes Overseas Limited ("CSOL"), incorporated in the United Kingdom while CSOL is owned by Mondelez International and 25.03% (2021: 25.03%) by a highly diversified spread of individual and institutional shareholders.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and in the manner required by the Companies and Allied Matter Act 2020 and the Financial Reporting Council of Nigeria Act 2011. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). They were authorized for issue by the Company's Board of Directors on 24th January 2023.

(b) Basis of preparation

These financial statements have been prepared under the historical cost basis except for the following;

- Liabilities for equity-settled share-based payment arrangements – fair value
- Defined benefit obligations – present value of the obligation
- Inventory - lower of cost or net realizable value
- Lease liabilities - present value of the obligation

The methods used to measure fair values are discussed further in note 4.

(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 thousands, except when otherwise indicated.

(d) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about assumptions, estimation uncertainties, and critical judgments in applying accounting policies that have a significant effect on the amounts recognized in the financial statements are described below;

Deferred taxation

Employee benefits

Share-based payment plan

Contingent liabilities and commitments

Notes to the financial statements (Continued)

3 Significant accounting policies

(a) Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rates of exchange prevailing at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(b) Financial instruments

i) Classification and measurement

Financial assets

It is the Company's policy to initially recognise financial assets at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement of the Company's debt instruments is dependent on the Company's business model for managing the asset and the cashflow characteristics of the asset. On this basis, the Company classifies its debt instruments at amortised cost. The Company has no equity investments.

The business models applied to assess the classification of the financial assets held by the company are;

Hold to collect: Financial assets in this category are held by the Company solely to collect contractual cash flows and these cash flows represents solely payments of principal and interest. Assets held under this business model are measured at amortised cost.

Fair value through other comprehensive income: Financial assets in this category are held to collect contractual cash flows and sell where there are advantageous opportunities. The cash flows represents solely payment of principal and interest. These financial assets are measured at fair value through other comprehensive income.

Fair value through profit or loss: This category is the residual category for financial assets that do not meet the criteria described above. Financial assets in this category are managed in order to realise the asset's fair value.

The business model for the Company's financial assets are held to collect contractual cashflows that are solely payments of principal (for non-interest bearing financial assets) or solely payments of principal and interest (for interest bearing financial assets).

The Company's financial assets include trade and other receivables, cash and cash equivalents and amount due from related parties. They are included in current assets, except for maturities greater than 12 months after the reporting date. Interest income from these assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in finance income/cost.

Financial liabilities

Financial liabilities of the Company are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, borrowings, amounts due to related parties and lease liabilities.

Notes to the financial statements (Continued)

3 Significant accounting policies (Continued)

ii) Impairment of financial assets

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost under IFRS 9: Financial instruments. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The general approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis. Non-trade receivables from related parties, other assets and cash and cash equivalents have been assessed for impairment under this approach.

The simplified approach is applied for trade receivables from related parties and third party customers. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates using a provision matrix that is based on the Company's historical default rates observed over the expected life of the receivable and adjusted using forward-looking estimates. This is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

In line with the Company's credit risk management practices, a financial asset is defined to be in default when contractual payments have not been received at least 90 days after the contractual payment period. Subsequent to default, the Company carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Company determines that there are no realistic prospects of recovery, the financial asset, and any related loss allowance is written off either partially or in full.

iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as finance income/cost.

Financial liabilities

The Company derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

iv) 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 the event of default, insolvency or bankruptcy of the Company or the counterparty.

Notes to the financial statements (Continued)

3 Significant accounting policies (Continued)

(c) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress. The cost of construction recognized includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to the location and 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.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains or losses on 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 recognized as profit or loss in the statement of profit or loss and other comprehensive income.

ii. Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred. 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.

iii. Depreciation and impairment

Items of property, plant and equipment are depreciated from the date they are available for use or, in respect of capital-work-in-progress, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using a straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another 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 in which case the assets are depreciated over the useful life.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- Freehold land
- Buildings – 40 years
- Plant and Machinery
  - Power Generating Equipment –20 years
  - Packaging Equipment – 15 years
  - Food and Candy Processing Equipment – 15 years
  - Totebins - 2 years
- Motor Vehicles - 4 years
- Office furniture and Equipment – 6.67 years

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

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

Property, plant and equipment are tested 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.

Notes to the financial statements (Continued)

3 Significant accounting policies (Continued)

(d) Intangible assets (Software)

Recognition and measurement

i Software acquired is stated at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

ii Amortization is recognized in profit or loss on a straight line basis over the estimated useful life of the software from the date it is available for use.

The estimated useful lives for the current and comparative years of significant items of intangible asset are as follows:

- Software
  - o Catalyst SAP – 7 years
  - o Others – 5 years

iii **Impairment**

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

iv **Research and development costs**

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment whenever there is an indication that it may be impaired.

(e) Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfillment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to control the use of the asset(s).

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company separates non-lease components from lease components.

Notes to the financial statements (Continued)

3 Significant accounting policies (Continued)

(e) Leases (Continued)

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are presented as non-current assets in the statement of financial position, separately from property, plant and equipment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is based on the money market rate derived from Bloomberg. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The interest expense is included in administrative expenses and presented under operating activities in the Statement of Cash Flows. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(f) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

The basis of costing is as follows:

- Engineering spares and consumable stock - purchase cost on a weighted average basis including transportation and clearing costs;
- Raw, sundry and non-returnable packaging materials, finished products and products in process measured on the basis of weighted average cost. The cost of finished goods and products in progress comprises raw materials, direct labor, other direct costs and related production overheads;
- Stock-in-transit - purchase cost incurred to date;

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Stock values are adjusted for obsolete, slow-moving or defective items where appropriate.

Notes to the financial statements (Continued)

3 Significant accounting policies (Continued)

(g) Dividend

Dividends are recognized as a liability in the period they are declared.
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 432 of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2020, are written back to retained earnings.

The Securities and Exchange Commission (SEC) published a circular in 2015 directing Capital Market Registrars to return all unclaimed dividend which has been in their custody for fifteen (15) months and above to the paying companies. These unclaimed dividends are included as a liability to the shareholders until they become statute barred in accordance with the provisions of Section 432 of CAMA.

(h) Employee benefits

i Defined contribution plan

A defined contribution scheme is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts in respect of all employee benefits relating to employee service in current and prior periods. In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for its permanent staff. Staff contributions to the scheme are funded through payroll deductions. Obligations for contributions to the defined contribution plan are recognized as employee benefit expense in profit or loss in the periods which related services are rendered by employees. Employees contribute 8% each of their Basic salary, Transport and Housing Allowances to the Fund on a monthly basis. The Company's contribution is 10.3% of each employee’s Basic salary, Transport and Housing 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.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans 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.

iv Share-based payment transactions

The Company participates in a group share-based payment arrangement instituted by its ultimate parent, Mondelēz International. Certain employees of the Company participate in this arrangement which is based on the shares of Mondelēz International. The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense (split by function between cost of sales, administrative expenses and selling & distribution expenses), with a corresponding increase in equity, over the years that the employees unconditionally become entitled to the awards.

The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions. They are presented as exployee expenses and included in administrative expenses in the statement of profit or loss.

Share-based payment arrangements in which the Company receives goods or services and has no obligation to settle the share-based payment transaction are accounted for as equity-settled share-based payment transactions, regardless of the equity instrument awarded.

Notes to the financial statements (Continued)

v Other long-term employee benefits

The Company's other long-term employee benefits represents Long Service Awards scheme instituted for all permanent employees. The Company's obligation in respect of the Long Service Awards scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximating the term of the Company's obligation. The calculation is performed using the Projected Unit Credit method. Remeasurements are recognized fully in profit or loss.

vi 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.

(i) Provisions

A provision is recognized 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 pre-tax cash flows at a 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 recognized as finance cost. A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

(j) Contingent liabilities

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 recognized 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 recognized 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.

(k) Government grants

The Company is a beneficiary of the Export Expansion Grant (EEG), an unconditional grant related to export sales. The EEG aims to support active exporters in expanding their international business. It is a post-shipment incentive designed to expand export volumes and improve global competitiveness of the Nigerian products. The value of the grant is based on the amount awarded in the grant certificate. The grant is recognized in the statement of profit or loss as a deduction from cost of sales when the grant becomes receivable.

Notes to the financial statements (Continued)

3 Significant accounting policies (Continued)

(l) Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable for goods or services, in the ordinary course of the Company's activities and it is stated net of value added tax (VAT), rebates and returns. A valid contract is recognised as revenue after the below conditions are met:

- The contract is approved by the parties
- Rights and obligations are recognised
- Collectability is probable
- The contract has commercial substance; and
- The payment terms and consideration are identifiable.

The probability that a customer would make payment is ascertained based on the evaluation done on the customer as stated in the credit management policy at the inception of the contract. The Company is the principal in all of its revenue arrangement since it is the primary obligor in most of the revenue arrangements, has inventory risk and determines the pricing for the goods and services.

Sale of goods arises from sales of products to third parties and related parties. Revenue from the sale of goods is recognised when the control of the goods are transferred to the buyer. This occurs when the goods are transferred to the customer in accordance with the terms of the trade contract. The Company offers a credit period which is deemed suitable and conditional upon the provision of a bank guarantee, otherwise payment would be made in advance. The payment term is as contained in the customer's contract and contracts with customers do not contain a financing component. Returns are not allowed for goods sold, so the Company does not have a return Policy.

Delivery occurs when the goods have been shipped to the agreed location, the risks of obsolescence and loss have been transferred to the customer.

Revenue is recognised based on the price specified in the contract, net of the estimated rebates. Rebates are estimated at the inception of the contract.

Disaggregation of revenue from contract with customers

The Company recognises revenue from the transfer of goods at a point in time in the following product lines and geographical regions. The below information is stated in thousands of Naira.

Product lines	**Nigeria**	**Other Countries**	**Total**
Refreshment Beverages	38,385,112	-	38,385,112
Confectionery	14,348,553	796,081	15,144,634
Biscuit	277,285		277,285
Intermediate cocoa products	34,350	1,371,236	1,405,586
Total	**53,045,300**	**2,167,317**	**55,212,617**

(m) Finance income and finance costs

Finance income comprises interest income on funds invested and changes in the fair value of financial assets at fair value through profit or loss where the Company holds such financial assets. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, interest on lease liabilities, changes in the fair value of financial assets at fair value through profit or loss where the Company holds such financial assets.

(n) Tax

Income tax expense represents the sum of current tax expense and deferred tax expense. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Notes to the financial statements (Continued)

3 Significant accounting policies (Continued)

(n) Tax (Continued)

i Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Company is subject to the following types of current income tax:

Company Income Tax- This relates to tax on revenue and profit generated by the Company during the year, to be taxed under the Companies Income Tax Act Cap C21, LFN 2020 as amended to date.

Tertiary Education Tax- Tertiary education tax is based on the assessable income of the Company and is governed by the Tertiary Education Trust Fund (Establishment) Act LFN 2011.

The Company offsets current tax assets and current tax liabilities if and only if it has a legally enforceable right to set off tax assets and tax liabilities and they 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.

ii Deferred tax

Deferred tax is recognized 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 is not recognized for

temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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.

A deferred tax asset is recognized for unused tax losses, 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 utilized. 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 realized.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and 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.

iii Tax exposures

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 a determination is made.

(o) 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 in the share premium reserve.

Incremental costs that are directly attributable to issuing new shares are deducted from equity (net of any income tax benefit). Non-incremental costs that are not directly attributable to the share issue are recorded as an expense in profit or loss.

(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 year, adjusted for own shares held (if any). Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held (if any), for the effects of all dilutive potential ordinary shares.

Notes to the financial statements (Continued)

3 Significant accounting policies (Continued)

(q) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and call deposits. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and call deposits with associated exchange difference for foreign currency-denominated balances, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

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, fair value changes, equity-settled share-based payments and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while finance income is included in investing activities.

(r) 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 Company's Board of Directors 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 Board of Directors 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. The Board of Directors is the Chief Operating decision maker.

(s) New standards, amendments and interpretation not yet effective

Certain new standards, amendments to standards and interpretations have been published that are not yet effective for the financial period ended 31 December 2022 and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is as stated below. Other standards are not applicable to the Company.

IFRS 17 - Insurance Contracts effective for annual periods beginning 1 January 2023

The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach. The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it takes into account market interest rates and the impact of policyholders’ options and guarantees. The Standard has no impact on the company.

4 Measurement of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized 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. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In some cases, if the inputs used to measure the fair value of an asset or a liability is categorised in different levels of the fair value hierarchy, then the fair value measurement is categorized 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 recognizes 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 value is included in Financial Instruments.

Notes to the financial information (Continued)

5 Revenue

Revenue for the year comprises:

In thousands of naira	Un-audited 31 December 2022	Audited 31 December 2021
Domestic sales	53,045,300	40,268,116
Export sales	2,167,317	2,103,918
Total revenue	**55,212,617**	**42,372,034**

6 Other income

Other income comprises:

In thousands of naira	Un-audited 31 December 2022	Audited 31 December 2021
Other income	59	53
Insurance claims received	44,992	23,602
Gain on disposal of property, plant and equipment	36,479	420
	81,530	**24,075**

7 Net finance income/ (cost)

Recognized in profit or loss:

In thousands of naira	Un-audited 31 December 2022	Audited 31 December 2021
Finance income		
Interest income on bank deposits	1,608,174	856,025
Finance cost		
Interest expense on leases	(621)	(1,046)
Interest expense on borrowings	(503,206)	(248,530)
Net finance income recognised in profit or loss	**1,104,347**	**606,449**

8 Income tax expense

	Un-audited 31 December 2022	Audited 31 December 2021
Recognized in profit or loss		
Income tax expense	405,468	108,136
	405,468	**108,136**
Deferred tax expense	-	540,069
	405,468	**648,205**

	Un-audited 31 December 2022	Audited 31 December 2021
Recognized in statement of financial position		
Balance at the beginning	110,296	112,938
Current period charge	405,468	108,136
Cash payments during the year	(7,826)	(99,446)
WHT credit notes utilized	(100,316)	(11,332)
Balance at the end	**407,622**	**110,296**

Notes to the financial statements (Continued)

9 Property, plant and equipment

The movement on these accounts was as follows:

In thousands of naira	Freehold Land	Buildings	Plant & machineries	Office furniture & equipment	Motor vehicles	Capital Work in Progress (WIP)	Total
Cost							
At 1 January, 2022	652,800	5,372,490	21,644,884	1,840,512	1,571,417	1,422,308	32,504,411
Additions	-	-	-	-	-	2,406,842	2,406,842
Disposals	-	-	(40,734)	(88,978)	(519,314)	-	(649,026)
Transfers from CWIP	-	128,380	2,293,807	333,802	512,560	(3,268,549)	-
At 31 December, 2022	**652,800**	**5,500,870**	**23,897,957**	**2,085,336**	**1,564,663**	**560,601**	**34,262,227**
Accumulated depreciation							
At 1 January, 2022	175,286	1,934,750	15,405,565	1,070,722	899,781	-	19,486,104
Depreciation for the period	-	187,482	915,278	101,614	257,776	-	1,462,150
Adjustment*	(175,286)	-	-	-	-	-	(175,286)
Disposals	-	-	(22,163)	(63,400)	(496,171)	-	(581,734)
At 31 December, 2022	**-**	**2,122,232**	**16,298,680**	**1,108,936**	**661,386**	**-**	**20,191,234**
Carrying amounts							
At January 1, 2022	**477,514**	**3,437,740**	**6,239,319**	**769,790**	**671,636**	**1,422,308**	**13,018,307**
At 31 December, 2022	**652,800**	**3,378,638**	**7,599,277**	**976,400**	**903,277**	**560,601**	**14,070,993**

*** Depreciation adjustment on Freehold land represents prior years accumulated depreciation earlier charged, now corrected, as Freehold land is assumed to have an unlimited useful life.**

Notes to the financial information (Continued)

10 Intangible assets

Intangible assets represent the purchase costs and installation of software licences. The movement on this account during the year was as follows:

In thousands of naira

	Un-audited 31 December 2022	Audited 31 December 2021
Cost		
Balance as at 1 January	701,260	701,260
Addition	-	-
	701,260	**701,260**
Accumulated amortization		
Balance as at 1 January	688,185	648,942
Amortization for the year	6,262	39,243
	694,447	**688,185**
Carrying amounts		
At the beginning of the year	**13,075**	**52,318**
At the end of the year	**6,813**	**13,075**

11 Inventories

In thousands of naira

	Un-audited 31 December 2022	Audited 31 December 2021
Raw & packaging materials	6,204,070	3,942,608
Product in process	332,719	117,910
Finished products	2,073,751	1,105,010
Spare parts	1,036,069	959,273
Goods in transit	2,266,557	1,975,929
	11,913,166	**8,100,730**

12 Trade and other receivables

In thousands of naira

	Un-audited 31 December 2022	Audited 31 December 2021
Trade receivables	3,074,164	2,256,776
Other receivables	1,480,256	1,292,249
Withholding tax receivable	182,710	122,370
Due from related parties (Note 20a(i))	422,811	381,944
	5,159,941	**4,053,339**

Notes to the financial information (Continued)

13 Prepayments

In thousands of naira	Un-audited 31 December 2022	Audited 31 December 2021
Prepaid insurance	231,157	185,621
Prepaid rent*	51,246	47,088
Advance to suppliers	781,113	424,669
Other prepayments	8,299	-
	1,071,815	**657,378**

*Prepaid rent relates to short-term apartment leases for expat to which the company elected to apply the short-term leases recognition exemptions.

14 Cash and cash equivalents

In thousands of naira	Un-audited 31 December 2022	Audited 31 December 2021
Bank balances	10,166,992	3,381,533
Call deposits	17,280,786	14,442,598
	27,447,778	**17,824,131**

15 Capital and reserves

(a) Share capital

In thousands of naira	Un-audited 31 December 2022	Audited 31 December 2021
Authorised 2,747,827,802 (2020: 2,747,827,802) ordinary shares of 50k each	1,373,914	1,373,914

Issued and fully paid ordinary shares of 50k each
At 31 December 2022 - 1,878,201,962 ordinary shares of 50k each (2021: 1,878,201,962)

	Un-audited 31 December 2022	Audited 31 December 2021
At 1 January	939,101	939,101
At 31 December	939,101	939,101

(b) Share premium

In thousands of naira	Un-audited 31 December 2022	Audited 31 December 2021
At 1 January	272,344	272,344
At 31 December	272,344	272,344

(c) Shareholding Structure as at 31 December 2022

Shareholders	**Number of Ordinary Shares**	**Percentage Shareholding**
Cadbury Schweppes Overseas Limited	1,408,131,653	74.97%
Total Directors' shareholdings	648,000	0.03%
Institution holdings*	169,268,493	9.01%
Other Shareholders	300,153,816	15.98%
Total	**1,878,201,962**	**100%**

*Institution holdings comprises shares held by institutional shareholders for various investors which are available for trade on the floor of the Nigerian Stock Exchange Group (NGX).

Compliance with free float Requirements

As at 31 December 2022, Cadbury Nigeria Plc is complaint with the Free Float requirement for the Main Board of the Nigerian Stock Exchange, with a free float of 24.99% (2021: 24.99%)

Notes to the financial information (Continued)

16 Trade and other payables

In thousands of naira

	Un-audited 31 December 2022	Audited 31 December 2021
Trade payable	7,991,385	9,448,729
Dividend payable	455,377	399,023
Pension payable	132	7,197
Accrued expenses	3,488,489	2,883,573
Due to related parties (Note 20a(ii))	7,646,888	4,291,059
Contract liabilities	401,896	499,352
Unpaid decapitalisation fund	500,751	501,101
	20,484,918	**18,030,034**

17 Contingent liability

The Company has no contingent liabilities for the period (2021: Nil) arising from pending litigations. In the opinion of the Directors and based on independent legal advice, the company is not expected to suffer any material loss arising from these claims. Accordingly, no provisions have been made in this regard.

18a Leases

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	Un-audited 31 December 2022	Audited 31 December 2021
As at 1 January	4,998	7,862
Additions	34,644	22,060
Accretion of interest	621	1,046
Modification	1,237	-
Gain on lease modification	(1,219)	-
Payments	(27,180)	(25,970)
Balance, end of the period	**13,100**	**4,998**
Current	606	108
Non-current	12,494	4,890
	13,100	4,998

The following are the amounts recognised in profit or loss:

	Un-audited 31 December 2022	Audited 31 December 2021
Depreciation expense of right-of-use assets	18,238	15,851
Interest expense on lease liabilities	621	1,046
Expense relating to short-term leases (included in cost of sales)	-	58,050
Gain on lease modification	(1,219)	-
Expense relating to leases of low-value assets (included in administrative expenses)	71,102	49,665
Total amount recognised in profit or loss	**88,742**	**124,612**

18b Right of Use Asset

	Un-audited 31 December 2022	Audited 31 December 2021
Cost or deemed cost		
Balance as at 1 January	45,061	43,302
Additions	34,644	22,060
Disposal	(30,698)	(20,301)
Modification	1,850	-
Balance, end of the period	**50,856**	**45,061**
Accumulated depreciation		
Balance as at 1 January	23,730	28,180
Charge for the period	18,238	15,851
Diposal	(30,698)	(20,301)
Modification	613	-
Balance, end of the period	**11,883**	**23,730**
Carrying amounts		
Balance as at 1 January	**21,331**	**15,122**
Balance, end of the period	**38,973**	**21,331**

Notes to the financial information (Continued)

19 Borrowings

	Un-audited 31 December 2022	Audited 31 December 2021
Long term borrowings	7,588,788	6,596,083
Short term borrowings	16,219,870	3,884,269
	23,808,658	**10,480,352**

Movement in borrowings during the period is as follows:

As at 1 January	10,480,352	3,450,723
Additions to intercompany loan	-	6,115,025
Additions - Import finance facilities	14,219,167	5,162,379
Repayment - Import finance facilities	(1,883,566)	(4,728,833)
Accrued interest on intercompany loan	503,206	248,530
Exchange loss on Intercompany loan	489,499	232,528
Balance, end of the period	**23,808,658**	**10,480,352**

20a Related Parties

(i) Amount due from related parties

In thousands of naira	Un-audited 31 December 2022	Audited 31 December 2021
Cadbury Ghana Limited	164,895	160,679
Mondelez South Africa (Pty) Limited	208,035	169,682
Mondelez Europe Services	59,089	33,148
Chapelat Swaziland (Pty)	7,254	34,897
	439,273	**398,406**
Impairment provision	(16,462)	(16,462)
	422,811	**381,944**

(ii) Amounts due to related parties

In thousands of naira	Un-audited 31 December 2022	Audited 31 December 2021
Mondelez Egypt Foods SAE (MEF)	83,784	225,676
Cadbury Ghana Limited	2,306,491	668,274
Mondelez South Africa (Pty) Ltd	65,283	21,643
Cadbury Schweppes Overseas Ltd	1,519,338	867,098
Reading Scientific Services	4,176	2,695
Mondelez Pakistan Limited (MP)	133,313	160,106
Mondelez India Foods Pvt Ltd	110,803	-
Mondelez UK R&D Limited	28,954	-
Mondelēz International AMEA Pte Ltd	3,394,746	2,345,566
	7,646,888	**4,291,058**

20b Related Parties

(b) Parent and Ultimate holding companies

The Company is a subsidiary of Mondelēz International incorporated in the United States of America. Mondelēz International, through Cadbury Schweppes Overseas Limited held 74.97% of the issue and fully paid share capital of the Company as at 31 December 2022 (2021: 74.97%). Amount due to Cadbury Schweppes Overseas Ltd at the end of the period was N1,519.3 million for 2019, 2020 and 2021 Dividend (2021: N867.1 million for 2019 and 2020 dividend).

(c) Related party transactions

The Company entered into the following transactions with the under-listed related parties during the year:

(i) Mondelēz International AMEA PTE Ltd (MIAPL)

The Company has the exclusive rights to manufacture, distribution and marketing of Mondelēz's international brands in Nigeria and also provide services. In consideration for this, royalties, technical know-how and management services are paid to Mondelēz International AMEA PTE Ltd.The Company made an accrual of N237.8 million & N811.4 million for 2022 royalties and technical know-how and management service fees respectively. Amount due to MIAPL at the end of the period was N3,394.7 million (2021: N2,345.6 million).

Notes to the financial information (Continued)

20b Related Parties (Continued)

(ii) Cadbury Ghana Limited (CGL)

The Company sells confectionery to CGL and in turn purchases 3-in-1 Hot chocolate from CGL. Sales during the period amounted to N791.6 million (2021: N441.9 million), Purchases during the period was N9,088.4 million (2021: N4,810.0 million) and other transactions for the period amounted to N10.9 million (2021: N40.1 million). The net amount due to CGL at the end of the period was N2,141.6 million (2021: N507.6 million). The Company and CGL are subsidiaries of the same parent company.

(iii) Mondelez India Foods Pvt Ltd (MIF)

The Company shares the same parent company with MIF. Transactions during the period amounted to N103.6 million (2021: NIL) representing mainly salary recharges to the company for expatriates in its employment. Amount due to MIF at the end of the period was N110.8 million (2021: NIL).

(iv) Mondelez Pakistan Limited (MP)

The Company shares the same parent company with MP. Transactions during the period is NIL (2021: N61.5 million) representing mainly salary recharges to the company for expatriates in its employment. Amount due to MP at the end of the period was N133.3 million (2021: N160.1 million).

(v) Mondelez South Africa (Pty) Limited (KFSA)

The Company shares the same parent company with KFSA. Transactions during the period amounted to N329.7 million (2021: N333.3 million) representing mainly salary recharges to/from KFSA. The net amount due from KFSA at the end of the period was N142.8 million (2021: N148.0 million).

(vi) Mondelez Eygpt Foods SAE (MEF)

The Company purchases certain Gum product from MEF during the period which it sells and market to its consumers. Purchases during the period was N472.8 million (2021: N82.3 million). Amounts due to MEF at the end of the period was N83.8 million (2021: N225.7 million).

(vii) Chapelat Swaziland (Pty) (CH)

The Company shares the same parent company with CH. Transactions during the period amounted to N49.1 million (2021: N33.8 million) representing freight and salary recharges from the company to CH. Amount due from CH at the end of the period was N7.3 million (2021: N34.9 million).

(viii) Mondelez Europe Services (MES)

The Company shares the same parent company with MES. Transactions during the period amounted to N163.0 million (2021: N142.7 million) representing mainly research, development and quality (RD&Q) recharges from the company to MES. Amount due from MES at the end of the period was N59.1 million (2021: N33.1 million).

(ix) Reading Scientific Services (RSS)

The Company shares the same parent company with RSS. Transactions during the period was N5.7 million (2021: N7.2 million) representing mainly research, development and quality (RD&Q) recharges from RSS to the company. Amount due to RSS at end of the period was N4.2 million (2021: N2.7 million).

(x) Mondelez UK R&D Limited (MU)

The Company shares the same parent company with MU. Transactions during the period was N25.7 million (2021: NIL) representing mainly research & development recharges from MU to the company. Amount due to MU at end of the period was N29.0 million (2021: NIL).

21 Information on reportable segments

(i) **Business segments**

The Company has four reportable business segments summarized as follows:

Segment	**Description**
Refreshment Beverages	This includes the manufacturing and sale of Bournvita and 3-in-1 Hot Chocolate.
Confectionery	This includes the manufacturing and sale of Tom Tom, Candy Caramel, Candy Coffee, Buttermint and Clorets gum.
Biscuit	This includes the production and sale of Bournvita Biscuit.
Intermediate Cocoa Products	This includes the manufacturing and sale of cocoa powder, cocoa butter, cocoa liquor and cocoa cake.

Information regarding each reportable business segment is shown below:

Revenue *In thousands of naira*	Un-audited 31 December 2022	Audited 31 December 2021
Refreshment beverages	38,385,112	28,011,416
Confectionery	15,144,634	12,556,708
Biscuit	277,285	-
Intermediate cocoa products	1,405,586	1,803,910
	55,212,617	**42,372,034**

Notes to the financial information (Continued)

21 Information on reportable segments (continued)

Depreciation, amortisation and Impairment	Un-audited	Audited
In thousands of naira	31 December	31 December
	2022	2021
Refreshment beverages	1,033,554	911,589
Confectionery	407,783	408,639
Biscuit	7,466	-
Intermediate cocoa products	37,847	58,706
	1,486,650	**1,378,934**

Net finance income/(cost)	Un-audited	Audited
In thousands of naira	31 December	31 December
	2022	2021
Refreshment beverages	767,768	400,913
Confectionery	302,919	179,718
Biscuit	5,546	-
Intermediate cocoa products	28,114	25,818
	1,104,347	**606,449**

Profit before taxation	Un-audited	Audited
In thousands of naira	31 December	31 December
	2022	2021
Refreshment beverages	939,637	725,814
Confectionery	370,729	325,361
Biscuit	6,788	-
Intermediate cocoa products	34,408	46,742
Total per profit or loss account	**1,351,561**	**1,097,917**

Assets & liabilities by reportable segments are not presented to the Chief Operating Decision Maker (the Board of Directors). Consequently, information on segment assets & liabilities has not been presented.

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

All the Company's assets are located in Nigeria.

(ii) **Geographical segments**

The Company has two reportable geographical segments summarised as follows:

Segment	**Description**
Domestic sales	This comprises sales within Nigeria.
Export sales	This comprises sales to countries outside of Nigeria mainly in Africa and Europe.

Information regarding the operations of each reportable geographical segment is shown below:

	Un-audited	Audited
	31 December	31 December
In thousands of naira	2022	2021
Domestic sales	53,045,300	40,268,116
Export sales	2,167,317	2,103,918
	55,212,617	**42,372,034**

22 Events after the reporting period

There are no significant subsequent events, which could have had a material effect on the Company's financial position as at 31 December 2022 and its operating results as at that date, that have not been adequately provided for or disclosed in the financial statements.

23 Other Disclosures

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of The Nigerian Stock Exchange 2015 (Issuers Rule), Cadbury Nigeria 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.