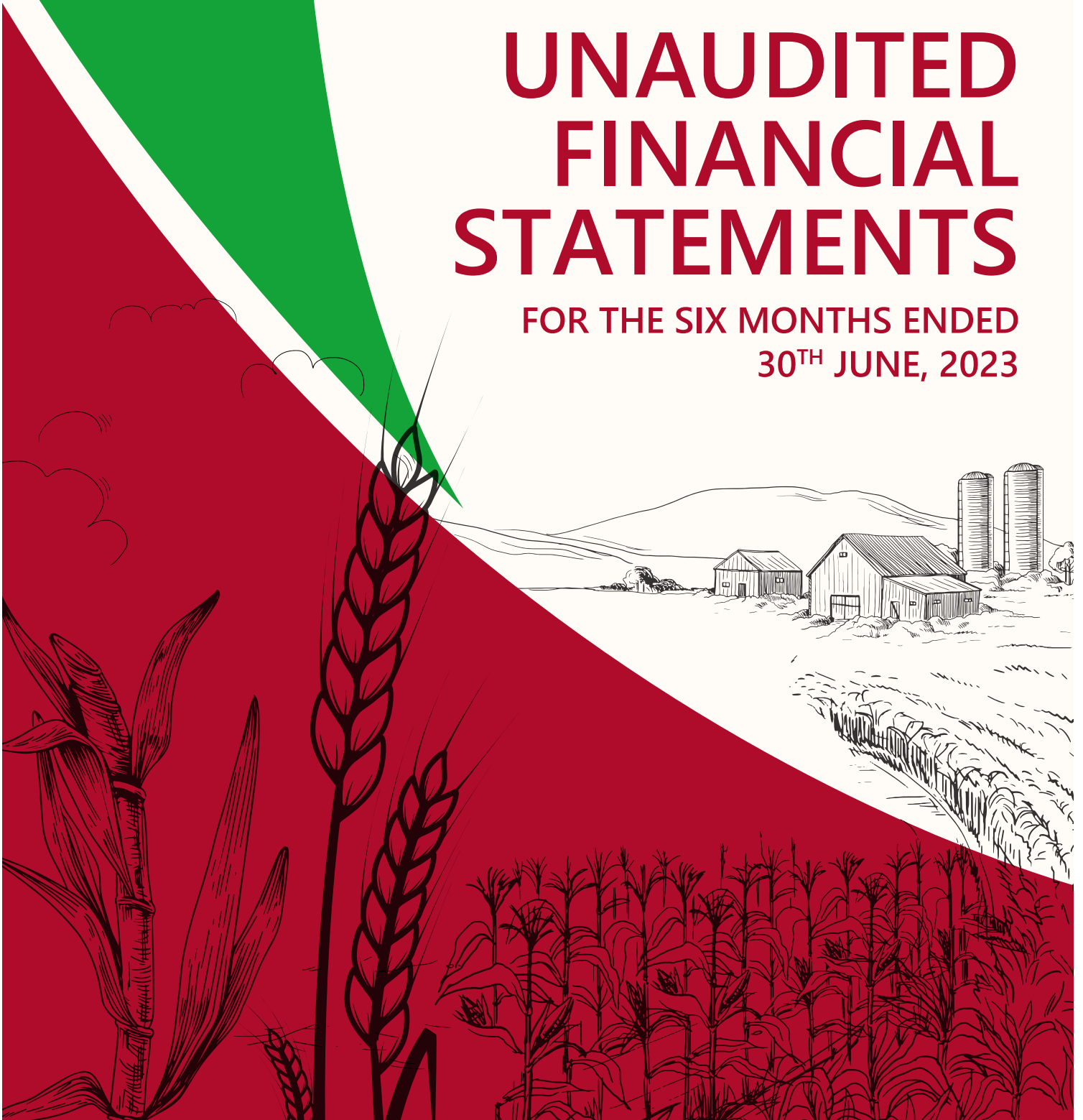




# UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED  
30<sup>TH</sup> JUNE, 2023



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## NOTE 1

### Statement of Significant Accounting Policies

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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's has not classified any of its financial assets as held to maturity.

#### **Subsequent measurement**

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

#### **i. Trade and Other Receivables**

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers, but also incorporate other types of contractual monetary assets. They are initially recognized at fair value plus transaction costs that are directly attributable

## 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 schemes 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 Capitalized

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 of 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

Notes	Unaudited	Unaudited	Unaudited	Unaudited
	Q2 2023	Q2 2022	Q2 2023	Q2 2022
	Group	Group	Company	Company
	₦'000	₦'000	₦'000	₦'000
Turnover	176,611,950	78,806,491	112,230,640	68,825,650
Cost of Sales	102,099,574	57,352,523	65,357,334	50,620,406
<b>Gross Profit</b>	<b>74,512,377</b>	<b>21,453,968</b>	<b>46,873,306</b>	<b>18,205,244</b>
Administrative expenses	2,386,119	1,144,965	1,935,770	963,842
Selling & distribution expenses	6,556,008	2,493,566	3,872,482	2,388,230
Other income	494,653	503,760	490,807	503,171
<b>Operating Profit</b>	<b>66,064,902</b>	<b>18,319,197</b>	<b>41,555,861</b>	<b>15,356,343</b>
Finance Costs	4,170,646	2,455,737	3,677,563	2,394,887
Finance Costs - Net	4,170,646	2,455,737	3,677,563	2,394,887
Minimum Tax	89,341	-	89,341	-
<b>Net Profit/(Loss) Before Tax</b>	<b>61,804,916</b>	<b>15,863,460</b>	<b>37,788,957</b>	<b>12,961,456</b>
Income Taxes	7,091,355	1,696,517	7,091,355	1,696,517
<b>Net Profit After Tax</b>	<b>54,713,561</b>	<b>14,166,943</b>	<b>30,697,602</b>	<b>11,264,939</b>
EPS	3.04	0.79	1.71	0.63

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

		Unaudited	Unaudited	Unaudited	Unaudited
		YTD 30TH	YTD 30TH	YTD 30TH	YTD 30TH
		JUN 2023	JUN 2022	JUN 2023	JUN 2022
	Notes	Group	Group	Company	Company
		₦'000	₦'000	₦'000	₦'000
Turnover	1	320,930,303	168,854,513	195,906,616	134,701,428
Cost of Sales	2	188,097,329	116,788,996	114,831,150	96,759,987
<b>Gross Profit</b>		<b>132,832,974</b>	<b>52,065,517</b>	<b>81,075,467</b>	<b>37,941,441</b>
Administrative expenses	4a	5,014,847	1,895,735	3,987,867	1,592,796
Selling & distribution expenses	4b	12,854,480	4,272,789	7,540,769	3,772,158
Other income	3	896,604	895,238	882,529	893,905
<b>Operating Profit</b>		<b>115,860,252</b>	<b>46,792,231</b>	<b>70,429,360</b>	<b>33,470,392</b>
Finance Costs		6,300,500	4,090,527	5,016,546	3,948,979
Minimum Tax		178,682	-	178,682	-
<b>Profit Before Tax</b>		<b>109,381,070</b>	<b>42,701,704</b>	<b>65,234,131</b>	<b>29,521,413</b>
Income Taxes		14,182,710	3,393,034	14,182,710	3,393,034
<b>Net Profit After Tax</b>		<b>95,198,360</b>	<b>39,308,670</b>	<b>51,051,421</b>	<b>26,128,379</b>
EPS		5.29	2.18	2.84	1.45

## Statement of Financial Position as at

	Notes	Unaudited	Audited	Unaudited	Audited
		YTD 30TH JUN 2023	YTD 31ST DEC 2022	YTD 30TH JUN 2023	YTD 31ST DEC 2022
		Group	Group	Company	Company
		₦'000	₦'000	₦'000	₦'000
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipments	5	336,521,793	330,523,752	250,056,684	251,073,929
Right of Use Assets	6	5,918,479	31,165	30,745	31,165
Investment in Subsidiaries		-	-	407,670	407,670
<b>Total Non-Current Assets</b>		<b>342,440,272</b>	<b>330,554,917</b>	<b>250,495,099</b>	<b>251,512,764</b>
<b>Current Assets</b>					
Inventories	7	32,406,986	29,760,594	20,562,958	19,184,468
Trade and other receivables	8	161,366,969	119,325,516	157,841,100	114,988,875
Due from Related Companies		153,269,557	95,420,170	179,082,978	171,396,018
Cash and Short Term Deposits	9	68,438,217	32,163,428	68,415,786	32,111,028
<b>Total Current Assets</b>		<b>415,481,729</b>	<b>276,669,708</b>	<b>425,902,821</b>	<b>337,680,389</b>
<b>Total Assets</b>		<b>757,922,000</b>	<b>607,224,625</b>	<b>676,397,921</b>	<b>589,193,153</b>
<b>Liabilities and Equity</b>					
<b>Equity</b>					
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		318,102,924	222,904,564	269,820,537	218,769,116
<b>Total Equity</b>		<b>326,159,696</b>	<b>230,961,336</b>	<b>279,212,498</b>	<b>228,161,077</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Deferred Tax Liabilities		46,124,666	33,776,943	46,124,666	33,776,943
Borrowings		4,046,958	3,475,257	4,046,958	3,475,257
Lease Liabilities		5,330,083	33,558	33,527	33,558
Government Grants		206,665	206,665	206,665	206,665
Deposit for Shares		32,243,723	32,243,723	32,243,723	32,243,723
<b>Total Non-Current Liabilities</b>		<b>87,952,096</b>	<b>69,736,146</b>	<b>82,655,540</b>	<b>69,736,146</b>
<b>Current Liabilities</b>					
Contract Liabilities		77,558,177	47,139,328	77,558,185	47,139,328
Current Income Tax Liabilities		11,917,457	9,903,788	11,917,457	9,903,788
Lease Liabilities		1,563,476	4,193	4,210	4,193
Bank Overdraft	9	2,583,418	4,490,873	2,583,418	4,490,873
Borrowings	11	193,986,362	208,195,755	193,986,362	208,195,755
Trade and Other Payables	12	56,152,683	36,744,571	28,431,616	21,513,358
Government Grants		48,635	48,635	48,635	48,635
<b>Total Current Liabilities</b>		<b>343,810,208</b>	<b>306,527,143</b>	<b>314,529,883</b>	<b>291,295,930</b>
<b>Total Liabilities</b>		<b>431,762,304</b>	<b>376,263,289</b>	<b>397,185,423</b>	<b>361,032,076</b>
<b>Total Liabilities and Equity</b>		<b>757,922,000</b>	<b>607,224,625</b>	<b>676,397,921</b>	<b>589,193,153</b>

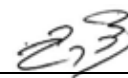
The financial statements and notes on pages 9 to 17 were approved by the Board of Directors on 27th July, 2023 and signed on its behalf by:



**Abdul Samad Rabiu CFR, CON**  
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 Statements of Changes in Equity for The Six Months Ended 30th June, 2023

Group	Share Capital	Retained Earnings	Reorganization and Other Reserves	Total Equity
	₦'000	₦'000	₦'000	₦'000
<b>Balance as at 1 January 2023</b>	<b>9,000,000</b>	<b>222,904,564</b>	<b>(943,228)</b>	<b>230,961,336</b>
Profit for the period	-	95,198,360	-	95,198,360
<b>Balance as at 30 June 2023</b>	<b>9,000,000</b>	<b>318,102,924</b>	<b>(943,228)</b>	<b>326,159,696</b>
<b>Balance as at 1 January 2022</b>	<b>9,000,000</b>	<b>192,661,901</b>	<b>(943,228)</b>	<b>200,718,673</b>
Profit for the period	-	39,308,670	-	39,308,670
<b>Balance as at 30 June 2022</b>	<b>9,000,000</b>	<b>231,970,571</b>	<b>(943,228)</b>	<b>240,027,343</b>
<b>Company</b>				
<b>Balance as at 1 January 2023</b>	<b>9,000,000</b>	<b>218,769,116</b>	<b>391,961</b>	<b>228,161,077</b>
Profit for the period	-	51,051,421	-	51,051,421
<b>Balance as at 30 June 2023</b>	<b>9,000,000</b>	<b>269,820,537</b>	<b>391,961</b>	<b>279,212,498</b>
<b>Balance as at 1 January 2022</b>	<b>9,000,000</b>	<b>191,200,843</b>	<b>391,961</b>	<b>200,592,804</b>
Profit for the period	-	26,128,379	-	26,128,379
<b>Balance as at 30 June 2022</b>	<b>9,000,000</b>	<b>217,329,222</b>	<b>391,961</b>	<b>226,721,183</b>

## Statement Of Cash Flows For The Six Months Ended

	Unaudited YTD 30TH JUN 2023	Unaudited YTD 30TH JUN 2022	Unaudited YTD 30TH JUN 2023	Unaudited YTD 30TH JUN 2022
	Group	Group	Company	Company
	₦'000	₦'000	₦'000	₦'000
<b>Cash Flows From Operating Activities</b>				
Profit for the period	109,202,388	42,701,704	65,055,449	29,521,413
Adjustments for:	-	-	-	-
Depreciation of Property, Plant and Equipments	4,824,739	3,309,716	4,639,748	3,146,362
Depreciation of right of use	203,446	502,647	423	421
Finance Income	-	(760,000)	-	(760,000)
Finance Cost	6,300,500	2,555,671	5,016,546	2,414,121
Minimum tax	357,364	-	357,364	-
<b>SUB TOTAL</b>	<b>120,888,437</b>	<b>48,309,738</b>	<b>75,069,530</b>	<b>34,322,317</b>
Changes in contract Liabilities	36,151,488	1,737,084	36,151,721	1,737,084
Changes in receivables from customers	(41,628,248)	(16,876,342)	(42,439,020)	(16,863,938)
Changes in Due from related companies	(81,419,229)	(21,533,768)	(31,256,801)	(12,174,994)
Changes in inventory	(3,322,818)	696,604	(2,054,915)	1,489,705
Changes in payable to suppliers	37,508,213	8,952,608	25,018,132	7,723,920
Changes lease liabilities	6,856,129	141,518	307	(27)
<b>SUB TOTAL</b>	<b>(45,854,464)</b>	<b>(26,882,296)</b>	<b>(14,580,576)</b>	<b>(18,088,250)</b>
<b>Cash from operating activities</b>	<b>75,033,973</b>	<b>21,427,443</b>	<b>60,488,954</b>	<b>16,234,067</b>
Tax paid	-	(1,106,444)	-	(1,106,444)
<b>Net Cash from operating activities</b>	<b>75,033,973</b>	<b>20,320,998</b>	<b>60,488,954</b>	<b>15,127,622</b>
<b>Cash flows from investing activities</b>				
Acquisition / Disposal of property, plant and equipment	(10,822,779)	(3,707,098)	(3,622,504)	(1,796,162)
Purchase of biological assets	-	(92,093)	-	-
Interest received	-	760,000	-	760,000
<b>Net Cash used in investing activities</b>	<b>(16,913,538)</b>	<b>(3,039,191)</b>	<b>(3,622,504)</b>	<b>(1,036,162)</b>
<b>Cash flows from financing activities</b>				
Proceed from borrowings	8,669,152	26,415,889	8,669,152	26,415,889
Repayment of borrowings	(22,306,843)	(42,569,197)	(22,306,843)	(42,569,197)
Interest paid	(6,300,500)	(2,147,269)	(5,016,546)	(2,147,269)
Lease liability payment	-	(3,184,071)	-	(2,521)
<b>Net Cash from financing activities</b>	<b>(19,938,191)</b>	<b>(21,484,648)</b>	<b>(18,654,238)</b>	<b>(18,303,098)</b>
Net increase/(decrease) in cash and cash equivalents	38,182,244	(4,202,841)	38,212,213	(4,211,637)
Cash and cash equivalents at the beginning of the period	27,672,555	27,487,372	27,620,155	27,462,947
Cash and cash equivalents at the end of the period	65,854,799	23,284,531	65,832,368	23,251,310

## Notes to The Unaudited Financial Statements for The Six Months Ended 30th June 2023

	Unaudited YTD 30TH JUN 2023	Unaudited YTD 30TH JUN 2022	Unaudited YTD 30TH JUN 2023	Unaudited YTD 30TH JUN 2022
	Group	Group	Company	Company
	₦'000	₦'000	₦'000	₦'000
<b>1. Net Revenue</b>				
Sales - Sugar(Non Fortified)	44,494,327	53,901,453	28,542,244	36,598,499
Sales - Sugar(Fortified)	151,571,340	54,809,523	42,748,667	38,060,601
Sales - Molasses	430,884	387,907	181,953	286,698
Sales - Bakery Flour	75,014,861	31,415,850	75,014,861	31,415,850
Sales - Pasta	37,918,269	25,880,470	37,918,269	25,880,470
Sales - Wheat Bran	11,034,216	2,459,310	11,034,216	2,459,310
Sales - Head Rice	384,000	-	384,000	-
Sales - Broken/Rejected Rice	64,406	-	64,406	-
Sales - Rice Bran	18,000	-	18,000	-
<b>Total</b>	<b>320,930,303</b>	<b>168,854,513</b>	<b>195,906,616</b>	<b>134,701,428</b>
<b>2. Cost of Sales</b>				
Raw Materials	161,163,495	101,463,371	99,485,568	84,489,339
Energy	7,972,211	5,212,050	4,736,006	3,949,469
Depreciation	4,653,942	3,471,401	4,450,916	2,969,175
Other Factory Expenses	14,307,681	6,642,173	8,458,659	5,352,003
<b>Total</b>	<b>188,097,329</b>	<b>116,788,996</b>	<b>117,131,150</b>	<b>96,759,987</b>
<b>3. Other Income</b>				
Interest Income	103,739	-	103,739	-
Scrap	22,745	15,658	18,790	14,325
Lease Rental	760,000	760,000	760,000	760,000
Sundry income	10,120	-	-	-
<b>Total</b>	<b>896,604</b>	<b>895,238</b>	<b>882,529</b>	<b>893,905</b>
<b>4a. Components of Administration Expenses</b>				
Salaries, Wages & Benefit	1,150,584	536,582	738,747	400,913
Transport and Travelling	196,084	13,184	194,115	12,916
Medical	14,246	10,519	12,747	9,071
Expatriate expenses	82,883	80,646	82,380	68,832
Entertainment	13,176	44,757	9,611	43,441
Staff Welfare & Training	48,620	12,599	43,559	9,780
Electricity	6,763	3,347	4,033	1,224
Printing & Stationeries	21,938	25,874	16,259	19,210
Rent, Rate & Insurance	228,840	25,429	103,173	11,266
Office Maintenance	9,211	5,716	7,799	5,343
Donations	69,678	85,664	3,354	85,664
Telephone & Internet	12,417	3,648	12,417	3,621
Subscription	44,558	2,890	41,469	1,380
Legal & Professional	49,775	29,656	16,025	29,656
Postages & Courier	1,535	758	1,031	520
General Expenses	696,299	150,627	572,697	69,854
Security Expenses	130,745	51,991	120,400	41,512
Diesel & Fuel	216,486	122,246	214,246	112,537
Advertisement	138,239	17,100	129,690	16,046
Cleaning & Water	60,192	41,562	49,547	34,955
Hotel, Accomodation, Event Space etc	29,202	12,791	27,159	12,791
Bank Charges	864,654	-	864,535	-
Maintenance & Repair	554,462	425,663	533,623	424,372
Depreciation	374,260	192,485	189,252	177,891
<b>Total</b>	<b>5,014,847</b>	<b>1,895,735</b>	<b>3,987,867</b>	<b>1,592,796</b>
<b>4b. Selling and Distribution Expenses</b>				
Selling & Distribution Expenses	12,854,480	4,272,789	7,540,769	3,772,158



## Notes to the Unaudited Financial Statements for the Six Months Ended 30th June 2023

### 5a. Property, Plant & Equipments (Group)

Cost	Land & Building ₦'000	Plant & Machinery ₦'000	Furniture & Fittings ₦'000	Motor Vehicle ₦'000	Trucks ₦'000	Office Equipment ₦'000	Bearer Plant ₦'000	CWIP ₦'000	Total Cost ₦'000
Balance as at January 1, 2023	13,299,046	185,230,257	351,430	839,489	2,097,662	631,350	704,712	173,401,812	376,555,756
Addition	94,777	2,670,947	24,421	17,220	-	33,542	84,967	7,896,906	10,822,779
Transfer	-	-	-	-	-	-	-	-	-
<b>Balance as at June 30, 2023</b>	<b>13,393,823</b>	<b>187,901,204</b>	<b>375,851</b>	<b>856,709</b>	<b>2,097,662</b>	<b>664,892</b>	<b>789,679</b>	<b>181,298,718</b>	<b>387,378,535</b>
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	28,337	195,746	51,822	121,818	-	110,919	704,712	14,810,854	16,024,207
Transfer	2,039,868	14,172,992	-	-	-	-	-	(16,212,859)	-
<b>Balance at December 31, 2022</b>	<b>13,299,046</b>	<b>185,230,257</b>	<b>351,430</b>	<b>839,489</b>	<b>2,097,662</b>	<b>631,350</b>	<b>704,712</b>	<b>173,401,812</b>	<b>376,555,756</b>

Accumulated Depreciation									
Balance as at January 1, 2023	2,137,789	40,493,034	247,588	651,205	2,097,662	404,727	-	-	46,032,004
Charge of the period	131,386	4,549,965	37,294	36,445	-	69,648	-	-	4,824,739
<b>Balance as at June 30, 2023</b>	<b>2,269,175</b>	<b>45,042,999</b>	<b>284,882</b>	<b>687,650</b>	<b>2,097,662</b>	<b>474,375</b>	<b>-</b>	<b>-</b>	<b>50,856,743</b>
Balance as at January 1, 2022	1,873,159	33,874,407	177,734	579,716	1,999,613	351,267	-	-	38,855,895
Charge for the period	264,630	6,618,627	69,854	71,489	98,049	53,460	-	-	7,176,109
<b>Balance as at December 31, 2022</b>	<b>2,137,789</b>	<b>40,493,034</b>	<b>247,588</b>	<b>651,205</b>	<b>2,097,662</b>	<b>404,727</b>	<b>-</b>	<b>-</b>	<b>46,032,004</b>

Net Book Value									
Balance as at June, 2023	11,124,648	142,858,205	90,969	169,059	-	190,517	789,679	181,298,718	336,521,793
<b>Balance at December 31, 2022</b>	<b>11,161,257</b>	<b>144,737,223</b>	<b>103,842</b>	<b>188,284</b>	<b>-</b>	<b>226,623</b>	<b>704,712</b>	<b>173,401,812</b>	<b>330,523,752</b>

### 5b. Property, Plant & Equipments (Company)

Cost	Land & Building ₦'000	Plant & Machinery ₦'000	Furniture & Fittings ₦'000	Motor Vehicle ₦'000	Trucks ₦'000	Office Equipment ₦'000	Bearer Plant ₦'000	CWIP ₦'000	Total Cost ₦'000
Balance as at January 1, 2023	12,335,743	184,386,042	184,257	686,566	2,097,662	198,920	-	96,262,065	296,151,256
Addition	20,341	2,666,997	19,011	720	-	28,728	-	886,706	3,622,504
Transfer	-	-	-	-	-	-	-	-	-
<b>Balance as at June 30, 2023</b>	<b>12,356,084</b>	<b>187,053,039</b>	<b>203,268</b>	<b>687,286</b>	<b>2,097,662</b>	<b>227,648</b>	<b>-</b>	<b>97,148,771</b>	<b>299,773,760</b>
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	42,575	182,273	44,178	62,217	-	56,570	-	9,014,420	9,402,234
Transfer	2,039,868	14,172,992	-	-	-	-	-	(16,212,860)	-
<b>Balance at December 31, 2022</b>	<b>12,335,743</b>	<b>184,386,042</b>	<b>184,257</b>	<b>686,566</b>	<b>2,097,662</b>	<b>198,920</b>	<b>-</b>	<b>96,262,065</b>	<b>296,151,256</b>

Accumulated Depreciation									
Balance as at January 1, 2023	2,113,246	40,003,265	142,545	575,894	2,097,662	144,713	-	-	45,077,326
Charge of the period	127,188	4,454,734	18,885	17,577	-	21,364	-	-	4,639,748
<b>Balance as at June 30, 2023</b>	<b>2,240,434</b>	<b>44,457,999</b>	<b>161,430</b>	<b>593,471</b>	<b>2,097,662</b>	<b>166,077</b>	<b>-</b>	<b>-</b>	<b>49,717,074</b>
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 for the period	266,276	6,467,689	41,834	51,870	98,049	33,015	-	-	6,958,734
<b>Balance as at December 31, 2022</b>	<b>2,113,246</b>	<b>40,003,265</b>	<b>142,545</b>	<b>575,894</b>	<b>2,097,662</b>	<b>144,713</b>	<b>-</b>	<b>-</b>	<b>45,077,326</b>

Net Book Value									
Balance as at June 30, 2023	10,115,651	142,595,040	41,839	93,815	-	61,571	-	97,148,771	250,056,684
<b>Balance at December 31, 2022</b>	<b>10,222,497</b>	<b>144,382,777</b>	<b>41,712</b>	<b>110,672</b>	<b>-</b>	<b>54,207</b>	<b>-</b>	<b>96,262,065</b>	<b>251,073,929</b>

#### 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 Six Months Ended 30th June 2023

	Unaudited YTD 30TH JUN 2023	Audited YTD 31ST DEC 2022	Unaudited YTD 30TH JUN 2023	Audited YTD 31ST DEC 2022
	₦'000	₦'000	₦'000	₦'000
	Group	Group	Company	Company
<b>6. Rights of Use Asset</b>				
Building leases	9,137,810	3,136,394	33,693	123,036
Accumulated Depreciation of ROU	(3,219,331)	(3,105,229)	(2,948)	(91,871)
<b>Balance at end of period</b>	<b>5,918,479</b>	<b>31,165</b>	<b>30,745</b>	<b>31,165</b>
<b>7. Inventories</b>				
Raw Materials	12,600,200	20,616,459	7,400,100	13,428,164
Work In Progress	958,870	417,647	692,974	251,120
Finished Goods	12,734,852	4,349,809	8,088,496	2,408,948
Packaging, Energy & Consumables	2,185,937	1,653,576	1,490,232	1,370,908
Goods in Transit	3,927,128	2,723,103	2,891,155	1,725,328
<b>Balance at end of period</b>	<b>32,406,986</b>	<b>29,760,594</b>	<b>20,562,958</b>	<b>19,184,468</b>
There is no amount of write-down of inventories recognised as an expense during the period.				
None of the inventories of the Company were pledged as security for loans as at the reporting date.				
<b>8. Trade and Other Receivables</b>				
Prepayments	5,078,286	4,620,233	1,741,637	287,337
Trade Debtors	956,433	538,346	956,433	534,601
Other Receivables	155,332,250	114,166,937	155,143,030	114,166,937
<b>Balance at end of period</b>	<b>161,366,969</b>	<b>119,325,516</b>	<b>157,841,100</b>	<b>114,988,875</b>
All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.				
<b>9. Cash and Short Term Deposits</b>				
Cash at Hand	4,432	25,980	4,400	21,768
Cash in Bank	68,433,785	32,137,448	68,411,386	32,089,260
<b>Balance at end of period</b>	<b>68,438,217</b>	<b>32,163,428</b>	<b>68,415,786</b>	<b>32,111,028</b>
Short-term deposits are made for varying periods 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	4,432	25,980	4,400	21,768
Cash in Bank	68,433,785	32,137,448	68,411,386	32,089,260
Overdraft	(2,583,418)	(4,490,873)	(2,583,418)	(4,490,873)
<b>Balance at end of period</b>	<b>65,854,799</b>	<b>27,672,555</b>	<b>65,832,368</b>	<b>27,620,155</b>

## Notes to the Unaudited Financial Statements for the Six Months Ended 30th June 2023

	Unaudited	Audited	Unaudited	Audited
	YTD 30TH JUN 2023	YTD 31ST DEC 2022	YTD 30TH JUN 2023	YTD 31ST DEC 2022
	₦'000	₦'000	₦'000	₦'000
	Group	Group	Company	Company
<b>10. Share Capital</b>				
<b>10a. Authorised and Issued</b>				
18,000,000,000 Ordinary shares of N0.50k each	9,000,000	9,000,000	9,000,000	9,000,000
<b>11a. Borrowings</b>				
<b>Non-Current Borrowings</b>				
Bank borrowings	4,046,958	3,475,257	4,046,958	3,475,257
<b>Current</b>				
Bank borrowings	193,986,362	208,195,755	193,986,362	208,195,755
<b>Total Borrowings</b>	<b>198,033,320</b>	<b>211,671,012</b>	<b>198,033,320</b>	<b>211,671,012</b>
<b>11b. Movement in borrowings are analysed as Follows:</b>				
Opening amount as at 1st January, 2023	211,671,012	243,827,950	211,671,012	243,827,950
Additional drawdowns in the year	8,669,152	276,336,593	8,669,152	276,336,593
Principal repayments	(22,306,843)	(310,410,627)	(22,306,843)	(310,410,627)
Government grant received	-	(303,935)	-	(303,935)
Interest expenses	5,014,024	7,206,426	5,014,024	6,696,357
Interest paid	5,014,024	7,206,426	5,014,024	6,696,357
<b>Total Borrowings</b>	<b>198,033,320</b>	<b>209,449,981</b>	<b>198,033,320</b>	<b>209,449,981</b>
<b>11c. Net Debt Comprises:</b>				
Cash and cash equivalents	(68,438,217)	(32,163,428)	(68,415,786)	(32,111,028)
Borrowings - current	193,986,362	208,195,755	193,986,362	208,195,755
Borrowings - non-current	4,046,958	3,475,257	4,046,958	3,475,257
Borrowings - overdraft	2,583,418	4,490,873	2,583,418	4,490,873
<b>Net debt</b>	<b>132,178,521</b>	<b>183,998,457</b>	<b>132,200,952</b>	<b>184,050,856</b>
<b>12. Trade and Other Payables</b>				
Provisions and Accruals/ Accrued Audit Fees	57,685	109,205	52,578	109,205
Other Payables	174,156	4,027,767	26,356	2,850,095
Trade Creditors/ Other Current Liabilities	13,342,971	4,025,206	6,727,573	3,348,770
Withholding/ Value Added Tax Payables	42,577,871	28,582,393	21,625,109	15,205,288
<b>Total</b>	<b>56,152,683</b>	<b>36,744,571</b>	<b>28,431,616</b>	<b>21,513,358</b>

## Notes to the Unaudited Financial Statements for the Six Months Ended 30th June 2023

### 13. SHAREHOLDING STRUCTURE/FREE FLOAT DECLARATION

Description	30th June, 2023	
	Units	Percentage
Issue Share Capital	18,000,000,000	100%
<b>Details of Substantial Shareholdings (5% and Above)</b>		
Abdulsamad Rabiu CFR, CON; Direct Holdings	16,172,601,967	89.85%
<b>Total Substantial Shareholdings</b>	<b>16,172,601,967</b>	<b>89.85%</b>
<b>Directors' Shareholdings (direct and indirect), excluding directors with substantial interest</b>		
Abdulsamad Rabiu CFR, CON; (Indirect - Representing BUA Industries Limited)	502,140,280	2.79%
Ayodele Abioye	250,000	0.00%
Abdulrasheed Olayiwola	250,000	0.00%
Kabiru Rabiu	1,401,654	0.01%
Chimaobi Kenneth Madukwe	442,135	0.00%
Rashid Ur Imran	-	0.00%
Finn Arnoldsen	250,000	0.00%
<b>Total Directors' Shareholdings</b>	<b>504,734,069</b>	<b>2.80%</b>
<b>Other Influential Shareholdings</b>		
Rabiu Abdulsamad Isyaku	473,628,201	2.63%
<b>Total Other Influential Shareholdings</b>	<b>473,628,201</b>	<b>2.63%</b>
<b>Free Float Units and Percentage</b>	<b>849,035,763</b>	<b>4.72%</b>
<b>Free Float in Value</b>		
Close Price on NGX as at 30th June = N135.75	115,256,604,827	

#### Description

BUA Foods Plc with a free float value of N115,256,604,827.00 as at 30th, June 2023 is compliant with the Nigerian Exchange Group's "The NGX" free float requirements for companies on the Main Board.



**BUA**

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