BUA FOODS PLC
RC:621320

Annual report and financial statements
For the year ended 31 December 2023

BUA FOODS PLC

Annual report and financial statements

For the year ended 31 December 2023

Contents

Directors and professional advisers

BOARD OF DIRECTORS

Abdul Samad Rabiu CFR, CON: Chairman	
Ayodele Musibau Abioye: Managing Director	
Abdulrasheed Adebayo Olayiwola: Executive Director and Chief Financial Officer	
Kabiru Isyaku Rabiu: Non-Executive Director	
Chimaobi Kenneth Madukwe: Non-Executive Director	
Rashid Ur Imran: Non-Executive Director	
Finn Heyerdahl Arnoldsen: Non-Executive Director	
Yemisi Lowo Adesola: Independent Non-Executive Director	Appointed on the 14th of September, 2023

KEY MANAGEMENT TEAM

Ayodele Musibau Abioye - Managing Director
Abdulrasheed Adebayo Olayiwola - Executive Director and Chief Financial Officer
Isyaku Naziru Rabiu - Executive Director
Ashok Kumar – Division Director, Flour and Pasta Division
Godspower Sivwete – Division Director, Sugar Division
Adewunmi Desalu – Director, Marketing and Corporate Communications
Labaran Saidu Audu – Plant Director, LASUCO
Abdullahi Aminu – General Manager, Rice Division
Liman Alim- General Manager, Sales
Lawrence Alau – Director, Supply Chain and Special Projects

COMPANY SECRETARY

Oluseye Olufunmilayo Alayande
32, Churchgate Street,
Victoria Island,
Lagos, Nigeria.

REGISTERED OFFICE

PC 32, Churchgate Street,
Victoria Island,
Lagos, Nigeria.
P.O.Box 70106 Victoria Island

PLANT LOCATIONS

Sugar Refinery Apapa Terminal A, Tin Can Island Port, Tin Can Island Industrial Estate, Apapa, Lagos	**Oil Mills** No. 8 Akilo Street, off Oba Akran Avenue, Ikeja, Lagos	**Flour Mills Plants** BUA Foods Industrial Complex, 26 Nnamdi Azikiwe Road, Port Harcourt, Rivers State.	**Pasta Factory Plant** BUA Foods Industrial Complex, 26 Nnamdi Azikiwe Road, Port Harcourt, Rivers State.	**Rice Mill** Sharada Industrial Estate, Phase II, Kano Kumbotso Local Government Area, Kano State
BUA Sugar Refinery FZE Bundu Free Trade Zone, 26 Nnamdi Azikiwe Road, Port Harcourt, Rivers State.	**LASUCO Sugar Company Limited** 1, Puta Road, Lafiagi, Kwara State.	Terminal B Nigerian Ports Authority Complex Off Industry Road, Port Harcourt, Rivers State.	Terminal B Nigerian Ports Authority Complex Off Industry Road, Port Harcourt, Rivers State.	

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Landmark Towers,
5B Water Corporation Road,
Victoria Island,
Lagos.

PRINCIPAL BANKERS

Access Bank Plc
Coronation Merchant Bank
Ecobank Nigeria Plc
FBNQuest Merchant Bank Limited
Fidelity Bank Plc
First Bank Nigeria Limited
First City Monument Bank Plc
Globus Bank Limited
Greenwich Merchant Bank
Guaranty Trust Bank Plc
Heritage Banking Company Limited
Keystone Bank Limited
Nova Merchant Bank
Polaris Bank Plc
Providus Bank
Rand Merchant Bank
Stanbic IBTC Bank Plc
Standard Chartered Bank Nigeria Limited
Sterling Bank Plc
TAJ Bank Limited
Titan Trust Bank Limited
Union Bank of Nigeria Plc
United Bank For Africa Plc
Zenith Bank Plc

Report of the directors

In compliance with the Companies & Allied Matters Act, 2020, the Directors of BUA Foods Plc ("the Group") are pleased to present to members of the Group, the audited financial statements for the year ended 31 December 2023.

Legal form

BUA Foods Plc ("BUA Foods" or the "Company") was formed in November 2021 following a scheme of restructuring under Section 711 of the Companies and Allied Matters Act involving BUA Sugar Refinery Limited, IRS Flour Mills Limited, IRS Pasta Limited, BUA Rice Limited, and BUA Oil Mills Limited, further to which BUA Sugar Refinery Limited (a private limited liability company, incorporated on 13 April 2005 and commenced business operations in September 2008) emerged as the surviving entity. As part of the restructuring, the name of the enlarged entity was changed to BUA Foods Plc with its operations reorganised into five business divisions: Sugar, Flour, Pasta, Rice and Edible Oils. In December 2021, the Company was converted into a public limited liability company. BUA Foods is affiliated with diverse group companies under the BUA brand that span the food and infrastructure sectors, and was listed in the Nigerian Exchange Group (NGX) on 5 January 2022.

Furthermore, by share transfer forms each dated 11 October 2021, the shareholders of BUA Sugar Refinery FZE and LASUCO Sugar Company Limited ("Subsidiaries") transferred all their shares to BUA Sugar Refinery Limited (now BUA Foods Plc) thereby making them wholly owned subsidiaries of the BUA Foods Plc.

Current operations and principal activities

The principal activities of the Group are processing, manufacturing, production and distribution of food materials such as sugar, flour, pasta, rice, and edible oils as well as packaged foods. These activities are conducted primarily in Nigeria.

RESULTS FOR THE YEAR ENDED

	Group		Company	
	31 December 2023 N'000	**31 December 2022 N'000**	**31 December 2023 N'000**	**31 December 2022 N'000**
Revenue	729,443,355	418,347,770	490,118,669	300,877,115
Profit before tax	108,123,932	107,229,703	108,084,594	104,555,313
Income tax credit/(expense)	3,973,565	(15,885,683)	3,973,565	(15,885,683)
Profit after tax	112,097,497	91,344,020	112,058,159	88,669,630

DIVIDEND DECLARATION

The Board of Directors ("the Board") recommends for the approval of shareholders a payment of N5.50k dividend per 1 ordinary share of 50 kobo each, out of the profits declared in the financial year ended 31 December 2023 (2022: N4.50k dividend per 1 ordinary share of 50 kobo each). If approved, dividends paid to shareholders will be subject to the deduction of withholding tax at the appropriate rate at the time of payment. The N4.50k dividend per 1 ordinary share of 50 kobo each, declared in 2022, was paid in 2023.

DIRECTORS

The names of the Directors at the date of this report and of those who held office during the year are as follows:

Abdul Samad Rabiu CFR, CON: Chairman
Ayodele Musibau Abioye: Managing Director
Abdulrasheed Adebayo Olayiwola: Executive Director and Chief Financial Officer
Kabiru Isyaku Rabiu: Non-Executive Director
Chimaobi Kenneth Madukwe: Non-Executive Director
Rashid Ur Imran: Non-Executive Director
Finn Heyerdahl Arnoldsen: Non-Executive Director
Yemisi Lowo Adesola: Independent Non-Executive Director

DIRECTORS AND DIRECTORS' INTEREST

The direct and indirect interests of Directors in the issued share capital of the Company, as recorded in the Register of Directors' Shareholding and as notified by the Directors for complying with Section 301, of the Companies and Allied Matters Act, 2020.

Direct interest	**No of shares held (Units)**	**Shareholding (%)**
Alhaji Abdul Samad Rabiu CFR, CON	16,172,601,967	89.85
Kabiru Isyaku Rabiu	1,401,654	0.01
Kenneth Chimaobi Madukwe	442,235	0.00
Ayodele Musibau Abioye	250,000	0.00
Abdulrasheed Adebayo Olayiwola	250,000	0.00
Finn Heyerdahl Arnoldsen	250,000	0.00
	16,175,195,856	89.86

Indirect interest	**Representing**	**No of shares held (Units)**	**Shareholding (%)**
Alhaji Abdul Samad Rabiu CFR, CON	BUA International Limited	683,372	0.00
	BUA Industries Limited	500,485,433	2.78
		501,168,805	2.78
		16,676,364,661	**92.64**

Shareholding structure showing range, total holders, percentage, and units as at 31 December 2023

Range of Shareholding	Number of Shares holders	Holder %	Holders Cum	Units	Units %	Units Cumulative
1-1000	1,646	63.07%	1,646	303,943	0.00%	303,943
1001-5000	382	14.64%	2,028	993,614	0.01%	1,297,557
5001-10000	80	3.07%	2,108	617,421	0.00%	1,914,978
10001-50000	110	4.21%	2,218	2,626,269	0.01%	4,541,247
50001-100000	275	10.54%	2,493	21,470,077	0.12%	26,011,324
100001-500000	83	3.18%	2,576	16,925,747	0.09%	42,937,071
500001-1000000	14	0.54%	2,590	10,514,788	0.06%	53,451,859
1000001-999999999999	20	0.77%	2,610	17,946,548,141	99.70%	18,000,000,000
Grand Total	2,610	100%		18,000,000,000	100%	

SHAREHOLDING STRUCTURE

Prior to the Restructuring, the Company had 20,000,000 (twenty million) ordinary shares at ₦1.00 each. The number of shares was increased to 29,537,595 (twenty-nine million, five hundred and thirty seven thousand, five hundred and ninety five) by the creation of 9,537,595 (nine million, five hundred and thirty seven thousand five hundred and ninety five) ordinary shares at ₦1.00 each to effect the Restructuring. Furthermore, by a resolution dated 24 November 2021, the Company increased its authorised share capital to 18,000,000,000 ordinary shares by the creation of 17,940,924,810 ordinary shares of ₦0.50 each. Existing shares of 29,537,595 of N1.00 each were also converted based on the share split to 59,075,190 of N0.50 each.

At 31 December 2023, the analysis of shareholding in the Company was as follows:

	No of shares held (Units)	**Shareholding (%)**
Alhaji Abdul Samad Rabiu CFR, CON	16,172,601,967	89.85
BUA Industries Limited	500,485,433	2.78
Alhaji Isiyaku Rabiu (Jnr)	473,628,201	2.63
FPCNL/NPF FUND II INVEST A/C - MAIN	291,343,928	1.62
Others	561,940,471	3.12
	18,000,000,000	100

Free Float Declaration

BUA Foods Plc with a free float value of N164,523,563,974.00 as at 31st, December 2023 is compliant with the Nigerian Exchange Group's "The NGX" free float requirements for companies on the Main Board.

Share Price at end of reporting period:		N193.4
Description	**Units**	**Percentage (In relation to Issued Share Capital)**
Issued Share Capital	18,000,000,000	100%
Details of Substantial Shareholdings (5% and above)		
Abdul Samad Rabiu CFR, CON; Direct Holdings	16,172,601,967	89.85%
Total Substantial Shareholdings	**16,172,601,967**	**89.85%**
Directors' Shareholdings (direct and indirect), excluding directors with substantial interest		
Abdul Samad Rabiu CFR, CON; (Indirect - Representing BUA Industries Limited)	500,485,433	2.78%
Ayodele Musibau Abioye	250,000	0.00%
Abdulrasheed Adebayo Olayiwola	250,000	0.00%
Kabiru Isyaku Rabiu	1,401,654	0.01%
Chimaobi Kenneth Madukwe	442,235	0.00%
Rashid Ur Imran	-	0.00%
Finn Heyerdahl Arnoldsen	250,000	0.00%
Yemisi Lowo Adesola	-	0.00%
Total Directors Shareholdings	**503,079,322**	**2.79%**
Other Influential Shareholdings		
Rabiu Abdulsamad Isyaku	473,628,201	2.63%
Total Other Influential Shareholdings	**473,628,201**	**2.63%**
Free Float in Units and Percentage	**850,690,610**	4.73%
Free Float in Value (N)	**164,523,563,974**	

EMPLOYEE HEALTH, SAFETY AND WELFARE

The Group is fully committed to employees' well-being and would continue to seek better ways of guaranteeing their well-being. The Group provides subsidy to all employees for medical, transportation, housing etc.

The Group operates both Group Personal Accident and the Workmen's Compensation Insurance covers for the benefit of its employees. The Group subscribes to the contributory scheme established by the Pension Reform Act 2014, and makes contributions to employees' Retirement Savings Accounts held with their respective Pension Fund Administrators.

EMPLOYMENT OF DISABLED PERSONS

The Group has an employment policy which does not discriminate against the disabled. There were no disabled persons in the Group's employment during the year (2022: Nil).

PROPERTY, PLANT AND EQUIPMENT (PPE)

Information relating to changes in property, plant and equipment is disclosed in Note 13 to the financial statements. In the opinion of the Directors, the market value of the Group's property, plant and equipment is not less than the value shown in the financial statements.

CHARITABLE DONATIONS

The Group made several charitable donations amounting to N89.9 million during the year ended 31 December 2023 (31 December 2022: N142.31million). The charitable donations made during the year is listed below:

	N'000
Construction of Culvert at Sharada in Kano State	3,658
Federal Ministry of Labour in Kano State	30
FRSC Sharada Community in Kano State	20
Primary Health Care in Kano State	40
Federal Ministry of Environment in Kano State	30
Fire Service in Sharada Kano State	40
Purchase of Pickup for the Nigerian Custom Service in Rivers State	16,500
Host Communities in Rivers State	946
Food and Cash Palliatives to Host Communities in Rivers State	14,584
Construction Works for Host Communities in Edu LGA Kwara State	3,050
Food and Cash Palliative to Host Communities in Edu LGA Kwara State	49,355
Kabiti Media House Sponsorship Of Walk For Equity	500
Lagoon Bar Mess-PR to Nigerian Navy Ship Beecroft Officers	150
Sponsorship of the Society of Energy Administrators (SEA) Conference	500
Sponsorship of the Nigerian Institution of Mechanical Engineers, Lagos Chapter Conference	500
	89,904

SUBSEQUENT EVENTS

There were no significant events after the reporting period which could have a material effect on the state of affairs of the Group as at 31 December 2023 and on the profit for the year ended on that date which have not been adequately provided for or disclosed in these financial statements.

INDEPENDENT AUDITOR

PricewaterhouseCoopers has indicated willingness to continue in office in accordance with Section 401 of the Companies and Allied Matters Act 2020.

By order of the Board of Directors

Oluseye Olufunmilayo Alayande
Company Secretary
FRC/2014/NBA/00000007513

28 March 2024

Report of the audit committee

The Audit Committee is pleased to present this report for the financial year ended 31 December 2023 in compliance with Section 404 (7) of the Companies and Allied Matters Act 2020. The Committee has the oversight responsibility for the Company's financial statements.

The Audit Committee is an independent statutory committee appointed by the shareholders and the board. The committee performs its functions on behalf of BUA Foods Plc.

Audit Committee terms of reference

The Audit Committee has adopted a formal terms of reference as contained in its charter that has been approved by the board of Directors. The committee has conducted its affairs in compliance with its terms of reference and has discharged its responsibilities contained therein. It reports its findings to the Board and the Shareholders at the Annual General Meeting.

The Committee comprises of three shareholders, one of whom chairs it, and two Non-Executive Directors nominated by the Board and meet quarterly or whenever the need arises.

The Audit Committee meets at least four times per annum, with authority to convene additional meetings, as circumstances require.

Executive Directors, external auditors, internal auditors, financial management and other assurance providers attend meetings by invitation only.

Below is the list of members and the number of meetings held during the year.

Names	**Date of meeting and attendance**				
	25/01/23	**27/03/23**	**18/04/23**	**26/07/23**	**18/10/23**
Musa Bichi	P	P	P	P	P
Eric Akinduro	P	P	P	P	P
Peters Nwokocha	P	P	P	P	P
Chimaobi Madukwe	P	P	P	P	P
Imran Rashid	P	P	P	P	P

Note: **P -** Present

Roles and responsibilities

The Audit Committee carried out its functions through the attendance of Audit Committee meetings and discussions with executive management, internal audit and external auditors.

Statutory duties

The Audit Committee’s role and responsibilities include statutory duties as stipulated by the Companies and Allied Matters Act and further responsibilities assigned to it by the Board.

The Audit Committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

External auditor appointment and independence

In terms of the provisions of the Companies and Allied Matters Act, the Audit Committee has satisfied itself that the external auditor, PricewaterhouseCoopers, is independent of the Company and has ensured that the appointment of the auditor complied with the Companies and Allied Matters Act and any other legislation relating to the appointment of auditors.

The Committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted fees for the year ended 31 December 2023.

Financial statements and accounting practices

The Audit Committee has reviewed the accounting policies and the financial statements of the Company and is satisfied that they are appropriate and comply with the International Financial Reporting Standards, the Companies and Allied Matters Act and the Securities and Exchange Commission listing requirements.

Internal financial controls

The Audit Committee has overseen a process by which internal audit performed an assessment of the effectiveness of the Company's system of internal control, including internal financial controls. The Audit Committee is satisfied with the effectiveness of the Company's internal financial controls.

Duties assigned by the Board

In addition to the statutory duties of the Audit Committee, as reported above, the Board of Directors has determined further functions for the audit committee to perform. These functions include the following:

(i) Going concern

The Audit Committee reviews the going concern status of the Company at each meeting and makes recommendations to the Board.

(ii) Governance of risk

The Audit Committee fulfills an oversight role regarding financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting and information technology risks as it relates to financial reporting.

(iii) Internal audit

The Audit Committee is responsible for ensuring that the Company's internal audit function is independent and has the necessary resources, standing and authority within the Company to enable it to discharge its duties.

The Audit Committee considered and recommended the internal audit charter for approval by the Board. The internal audit function's annual audit plan was approved by the Audit Committee.

(iv) Evaluation of the expertise and experience of the Chief Financial Officer and finance function

The Audit Committee has satisfied itself that the Chief Financial Officer has appropriate expertise and experience.

The Audit Committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function.

Report of the audit committee

In compliance with the Provisions of Section 404(7) of the Companies and Allied Matters Act 2020, we report as follows:

- We have ascertained and hereby confirm that the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;

- The scope and planning of audit requirements for the year ended 31 December 2023 are adequate;

- We are satisfied with the External Auditors' Management Report for the year ended 31 December 2023, as well as the response of the Management thereto.

Musa Bichi
Chairman Audit Committee
FRC/2013/CICMA/000000017778

28 March 2024

AUDIT COMMITTEE MEMBERS:

Musa Bichi	-	Chairman - Independent shareholder
Eric Akinduro	-	Member - Independent shareholder
Peters Nwokocha	-	Member - Independent shareholder
Chimaobi Madukwe	-	Member - Director
Imran Rashid	-	Member - Director

Statement of directors' responsibilities

The Companies and Allied Matters Act requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act;

b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, and the Financial Reporting Council of Nigeria Act.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Abdul Samad Rabiu CFR, CON
Chairman
FRC/2014/IODN/00000010111

28 March 2024

Ayodele Musibau Abioye
Managing Director
FRC/2022/PRO/FORMC07/003/0000 0023864

28 March 2024

Abdulrasheed Adebayo Olayiwola
Executive Director and the Chief Financial Officer

FRC/2014/ICAN/00000010407
28 March 2024

Statement of corporate responsibilities

Pursuant to Section 405 of the Companies and Allied Matters Act, 2020, we confirm that we have reviewed the audited financial statements of BUA Foods Plc for the year ended 31 December 2023.

We acknowledge our responsibility for establishing and maintaining internal controls within BUA Foods Plc and have designed such internal controls to ensure that material information relating to the Group is made known to us by other officers of the Group, particularly during the period in which the audited financial statements were prepared.

We have evaluated the effectiveness of the Group's internal controls within 90 days prior to the date on our audited financial statements, and certify that the Group's internal controls are effective as of that date.

We also confirm that the Group's auditors and Board of Directors have been informed about the following:

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and has identified for the company's auditors any material weaknesses in internal controls, and

(ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the Group's internal control.

During the year, there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

We hereby certify that based on our knowledge, the Financial Statements do not contain any untrue statement of material fact or material omission that may make the financial statements misleading and the financial statements fairly presents in all material respects the financial condition and results of operations of the Group for the year ended 31 December 2023.

Ayodele Musibau Abioye
Managing Director

FRC/2022/PRO/FORMC07/003/00000023864
28 March 2024

Abdulrasheed Adebayo Olayiwola
Executive Director and the Chief Financial Officer

FRC/2014/ICAN/00000010407
28 March 2024

Management's annual assessment of, and report on, internal control over financial reporting

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of BUA Foods Plc for the year ended 31 December 2023:

i BUA Foods Plc’s management is responsible for establishing and maintaining a system of internal control over financial reporting (“ICFR”) that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

ii BUA Foods Plc’s management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;

iii BUA Foods Plc’s management has assessed that the entity's ICFR as of the end of 31 December 2023 is effective.

iv BUA Foods Plc’s external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of BUA Foods Plc’s annual report.

Abdul Samad Rabiu CFR, CON	Ayodele Musibau Abioye
Chairman	Managing Director
FRC/2014/IODN/00000010111	FRC/2022/PRO/FORMC07/003/0000 0023864
28 March 2024	28 March 2024

Certification of management's assessment on internal control over financial reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of BUA Foods Plc for the year ended 31 December 2023.

I, Ayodele Musibau Abioye, certify that:

a I have reviewed this management assessment on internal control over financial reporting of BUA Foods Plc;

b Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d The entity's other certifying officer and I:

1) are responsible for establishing and maintaining internal controls;

2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and

2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Ayodele Musibau Abioye
Managing Director
FRC/2022/PRO/FORMC07/003/00000023864

28 March 2024

Certification of management's assessment on internal control over financial reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of BUA Foods Plc for the year ended 31 December 2023.

I, Abdulrasheed Adebayo Olayiwola, certify that:

a I have reviewed this management assessment on internal control over financial reporting of BUA Foods Plc;

b Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d The entity's other certifying officer and I:

1) are responsible for establishing and maintaining internal controls;

2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

e The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and

2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f The entity's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Abdulrasheed Adebayo Olayiwola
Chief Finance Officer
FRC/2014/ICAN/00000010408

28 March 2024

Independent practitioner's report

To the Members of BUA Foods Plc

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of BUA Foods Plc ("the company's") are not adequate as of 31 December 2023, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

What we have performed

We have performed an assurance engagement on BUA Foods Plc's internal control over financial reporting as of December 31, 2023, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's annual assessment of, and report on, internal control over financial reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

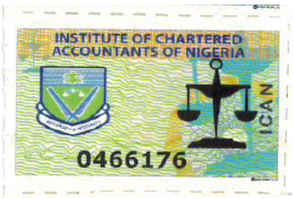
Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

We also have audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of BUA Foods Plc and our report dated 30 March 2024 expressed an unqualified opinion.



Oladele Oladipo

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

30 March 2024

Engagement Partner: Oladele Oladipo
FRC/2013/PRO/ICAN/004/00000002951

Independent auditor's report

To the Members of BUA Foods Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of BUA Foods Plc ("the company") and its subsidiaries (together "the group") as at 31 December 2023, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

BUA Foods Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of profit or loss and other comprehensive income for the year ended 31 December 2023;
- the consolidated and separate statements of financial position as at 31 December 2023;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of material accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises the Directors and Professional Advisers, Report of the Directors, Report of the Audit Committee, Statement of Directors' Responsibilities, Statement of Corporate Responsibilities, Management's Annual Assessment of, and report on, Internal Control Over Financial Reporting, Certification of Management's Assessment on Internal Control Over Financial Reporting, Statement of Value Added, Five-Year Financial Summary (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the BUA Foods Plc 2023 Annual Report, which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the BUA Foods Plc Plc 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from locations not visited by us;

iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of BUA Foods Plc's internal control over financial reporting as of 31 December 2023. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified report in our report dated 30 March 2024.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0466172

Oladele Oladipo

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

30 March 2024

Engagement Partner: Oladele Oladipo
FRC/2013/PRO/ICAN/004/00000002951

For the year ended 31 December 2023

	Note	Group 31 December 2023 N'000	Group 31 December 2022 N'000	Company 31 December 2023 N'000	Company 31 December 2022 N'000
Revenue from contracts with customers	5	729,443,355	418,347,770	490,118,669	300,877,115
Cost of sales	6	(468,983,756)	(285,555,236)	(328,700,970)	(219,137,086)
Gross profit		260,459,599	132,792,534	161,417,699	81,740,029
Administrative expenses	7	(17,212,664)	(18,733,919)	(14,466,856)	(16,840,057)
Selling and distribution expenses	8	(29,849,296)	(14,185,483)	(19,770,163)	(10,743,161)
Net impairment (loss)/writeback on financial assets	9	(7,890,845)	2,376,501	(8,395,892)	2,376,501
Other income	10	809,325	15,242,660	66,868,384	57,502,799
Operating profit		206,316,119	117,492,294	185,653,172	114,036,111
Finance income	11	2,497,371	39,721	2,497,371	39,721
Finance cost	11	(100,678,918)	(8,721,781)	(80,055,309)	(7,939,988)
Finance costs - net		(98,181,547)	(8,682,060)	(77,557,938)	(7,900,267)
Minimum tax charge	12a	(10,640)	(1,580,531)	(10,640)	(1,580,531)
Profit before income tax		108,123,932	107,229,703	108,084,594	104,555,313
Income and deferred tax credit/(expense)	12b	3,973,565	(15,885,683)	3,973,565	(15,885,683)
Profit after tax		112,097,497	91,344,020	112,058,159	88,669,630
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		112,097,497	91,344,020	112,058,159	88,669,630
Earnings per share					
Basic and diluted earnings per share (EPS) (Naira)	21.1	6.23	5.07	6.23	4.93

The accompanying notes on pages 28 to 69 are an integral part of the consolidated and separate financial statements.

Consolidated and separate statements of financial position
As at 31 December 2023

	Note	Group 31 December 2023	Group 31 December 2022	Company 31 December 2023	Company 31 December 2022
		N'000	N'000	N'000	N'000
Assets					
Non-current assets					
Property, plant and equipment	13	357,991,862	330,523,752	263,431,837	251,073,929
Right-of-use assets	14	30,324	31,165	30,324	31,166
Investment in subsidiaries	25	-	-	407,670	407,670
Total non-current assets		358,022,186	330,554,917	263,869,831	251,512,765
Current assets					
Inventories	15	112,276,641	29,760,594	81,405,117	19,184,468
Trade receivables and other assets	16	151,156,115	119,325,516	159,882,145	114,988,875
Cash and balances with banks	17	100,124,789	32,163,428	100,086,530	32,111,028
Due from related parties	24b	348,860,131	95,420,170	582,047,214	244,490,366
Total current assets		712,417,676	276,669,708	923,421,006	410,774,737
Total assets		**1,070,439,862**	**607,224,625**	**1,187,290,837**	**662,287,502**
Equity					
Share capital	21	9,000,000	9,000,000	9,000,000	9,000,000
Reorganisation reserves		(943,228)	(943,228)	391,961	391,961
Retained earnings		254,002,062	222,904,565	249,827,277	218,769,118
Total equity		262,058,834	230,961,337	259,219,238	228,161,079
Liabilities					
Non-current liabilities					
Deferred tax liabilities	12d	22,306,746	33,776,943	22,306,746	33,776,943
Borrowings	18	1,377,286	3,475,257	1,377,286	3,475,257
Lease liabilities	14b	32,650	32,678	32,650	32,678
Government grants	20	70,211	206,665	70,211	206,665
Deposit for shares	24b	-	32,243,723	-	32,243,723
Total non-current liabilities		23,786,893	69,735,266	23,786,893	69,735,266
Current liabilities					
Contract liabilites	5b	68,950,583	47,139,328	68,950,583	47,139,328
Current income tax payable	12c	15,819,889	8,323,257	15,819,889	8,323,257
Lease liabilities	14b	5,073	5,073	5,073	5,073
Bank overdraft	17	573,175	4,490,873	573,175	4,490,873
Borrowings	18	649,699,556	208,195,755	649,699,556	208,195,755
Due to related parties	24b	-	-	137,765,997	73,094,348
Trade and other payables	19	49,475,977	38,325,101	31,400,551	23,093,888
Government grants	20	69,882	48,635	69,882	48,635
Total current liabilities		784,594,135	306,528,022	904,284,706	364,391,157
Total liabilities		808,381,028	376,263,288	928,071,599	434,126,423
Total equity and liabilities		**1,070,439,862**	**607,224,625**	**1,187,290,837**	**662,287,502**

The accompanying notes on pages 28 to 69 are an integral part of the consolidated and separate financial statements.

The consolidated and separate financial statements on pages 23 to 72 were approved and authorised for issue by the Board of Directors on 28 March 2024 and were signed on its behalf by:

Abdul Samad Rabiu CFR, CON
Chairman
FRC/2014/IODN/00000010111

Ayodele Musibau Abioye
Managing Director
FRC/2022/PRO/FORMC07/003/00000023864

Abdulrasheed Adebayo Olayiwola
Executive Director and the Chief Financial Officer
FRC/2014/ICAN/00000010408

Group	**Share capital**	**Reorganisation reserves**	**Retained earnings**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Balance at 1 January 2023	9,000,000	(943,228)	222,904,565	230,961,337
Profit for the year	-	-	112,097,497	112,097,497
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	112,097,497	112,097,497
Transactions with owners:				
Dividend	-	-	(81,000,000)	(81,000,000)
	-	-	(81,000,000)	(81,000,000)
Balance at 31 December 2023	**9,000,000**	**(943,228)**	**254,002,062**	**262,058,834**

	Share capital	**Reorganisation reserves**	**Retained earnings**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Balance at 1 January 2022	9,000,000	(943,228)	192,661,900	200,718,672
Profit for the year	-	-	91,344,020	91,344,020
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	91,344,020	91,344,020
Transactions with owners:				
Dividend	-	-	(63,000,000)	(63,000,000)
Share based payment (Note 7a)	-	-	1,898,645	1,898,645
	-	-	(61,101,355)	(61,101,355)
Balance at 31 December 2022	**9,000,000**	**(943,228)**	**222,904,565**	**230,961,337**

The accompanying notes on pages 28 to 69 are an integral part of the consolidated and separate financial statements.

Company	**Share capital**	**Reorganisation reserves**	**Retained earnings**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Balance at 1 January 2023	9,000,000	391,961	218,769,118	228,161,079
Profit for the year	-	-	112,058,159	112,058,159
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	112,058,159	112,058,159
Transactions with owners:				
Dividend	-	-	(81,000,000)	(81,000,000)
	-	-	(81,000,000)	(81,000,000)
Balance at 31 December 2023	**9,000,000**	**391,961**	**249,827,277**	**259,219,238**

	Share capital	**Reorganisation reserves**	**Retained earnings**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Balance at 1 January 2022	9,000,000	391,961	191,200,843	200,592,804
Profit for the year	-	-	88,669,630	88,669,630
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	88,669,630	88,669,630
Transactions with owners:				
Dividend	-	-	(63,000,000)	(63,000,000)
Share based payment (Note 7a)	-	-	1,898,645	1,898,645
	-	-	(61,101,355)	(61,101,355)
Balance at 31 December 2022	**9,000,000**	**391,961**	**218,769,118**	**228,161,079**

The accompanying notes on pages 28 to 69 are an integral part of the consolidated and separate financial statements.

	Note	Group 31 December 2023 N'000	Group 31 December 2022 N'000	Company 31 December 2023 N'000	Company 31 December 2022 N'000
Cash flows from operating activities					
Net cash (used in)/ generated from operations	22	(150,118,552)	126,256,592	(172,753,252)	115,080,474
Tax paid	12c	(1,387,872)	(1,789,414)	(1,387,872)	(1,789,414)
Net cash (used in)/ generated from operating activities		(151,506,424)	124,467,178	(174,141,124)	113,291,060
Cash flows from investing activities					
Purchase of property, plant and equipment	13c	(37,085,853)	(15,480,307)	(21,410,766)	(9,402,233)
Interest received	11	2,497,371	39,721	2,497,371	39,721
Net cash used in investing activities		(34,588,482)	(15,440,586)	(18,913,395)	(9,362,512)
Cash flows from financing activities					
Proceeds from borrowings	18b	577,322,462	276,336,593	577,322,462	276,336,593
Repayment of borrowings	18b	(219,880,819)	(310,410,627)	(219,880,819)	(310,410,627)
Interest paid on borrowings	18b	(18,462,605)	(7,206,426)	(11,488,851)	(6,696,357)
Lease payments	14b	(5,073)	(4,560,949)	(5,073)	(948)
Dividend paid		(81,000,000)	(63,000,000)	(81,000,000)	(63,000,000)
Net cash generated from/ (used in) financing activities		257,973,965	(108,841,409)	264,947,719	(103,771,339)
Net increase in cash and cash equivalents		71,879,059	185,183	71,893,200	157,208
Cash and cash equivalents at the beginning of the year		27,672,555	27,487,372	27,620,155	27,462,947
Cash and cash equivalents at the end of the year	17	**99,551,614**	**27,672,555**	**99,513,355**	**27,620,155**

The accompanying notes on pages 28 to 69 are an integral part of the consolidated and separate financial statements.

1 General information

BUA Foods Plc is a company domiciled in Nigeria.

BUA Foods PLC ("BUA Foods" or the "Company") was formed in November 2021 following a restructuring by way of a scheme under Section 711 of the Companies and Allied Matters Act among BUA Sugar Refinery Limited, IRS Flour Mills Limited, IRS Pasta Limited, BUA Rice Limited, BUA Oil Mills Limited, and BUA Foods Limited, further to which BUA Sugar Refinery (a private limited liability company, incorporated in Nigeria on 13 April 2005 and commenced business operations in September 2008) emerged as the surviving entity. As part of the Restructuring, the name of the enlarged entity was changed to BUA Foods with its operations reorganised into five business divisions: Sugar, Flour, Pasta, Rice and Edible Oils. On 3 December 2021, the Company was converted into a public limited liability company,and was listed in the Nigerian Exchange Group (NGX) on 5 January 2022.

The address of its registered office is PC 32, Churchgate Street, Victoria Island, Lagos. The principal activities of the Group are processing, manufacturing, production and distribution of food materials such as sugar, flour, pasta, rice, and edible oils as well as packaged foods. These activities are conducted primarily in Nigeria.

The majority shareholder of the Company is Alhaji Abdulsamad Rabiu CFR, CON who is also the Chairman of the Board of Directors ("the Chairman").
The audited consolidated financial statements of the Group for the year ended 31 December 2023 comprise the Company and its subsidiaries- BUA Sugar Refinery FZE and LASUCO Sugar Company Limited ("Subsidiaries").

2 Summary of material accounting policies

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRSs), including International Accounting Standards (IAS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC), the Companies and Allied Matters Act (CAMA) and the Financial Reporting Council of Nigeria Act.

These consolidated and separate financial statements have been prepared under the historical cost convention, with the exception of biological assets which is measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Directors believe that the underlying assumptions are appropriate and that the Group's financial statements, therefore, present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

The consolidated and separate financial statements comprise the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of financial position, the consolidated and separate statement of changes in equity, the consolidated and separate statement of cash flows and the notes to the consolidated and separate financial statements.

The consolidated and separate financial statements are presented in Nigerian Naira and all values are rounded to the nearest thousand (₦'000) except when otherwise indicated.

2.1.1 Going concern

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention. The Directors have no doubt that the Group will remain in existence twelve (12) months after the statements of financial position date.

2.1.2 Consolidation of subsidiaries

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, the Group takes into consideration all the following;

(a) power over the investee;
(b) exposure, or rights to variable returns from its involvement with the investee; and
(c) the ability to use its power over the investee to affect the amount of the investor's returns.

The Group at least at each period end, re-assess whether it controls the investee by checking if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non- controlling interests. Total comprehensive income of subsidiaries attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group‘s accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The results of subsidiaries acquired or disposed of during the year are included in the Group statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal as appropriate.

In the Company‘s separate financial statements, investments in subsidiaries are carried at cost less any impairment that has been recognised in profit or loss.

2.1.3 Changes in accounting policies and disclosures

(a) *New standards and interpretations adopted by the Group*

The Group has applied the following standards and amendments for the first time in the annual reporting period commencing 1 January 2023.

(i) IFRS 17: Insurance Contracts

(ii) Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8

(iii) Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction

(iv) Amendment to IAS 12 - International tax reform

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations had been issued but were not effective for annual reporting periods ending on 31 December 2023, and have not been applied in preparing these financial statements. None of these are expected to have a significant impact on the financial statements of the Group. The Group did not early adopt any new or amended standard in 2023.

(b) New standards and interpretations not yet adopted (continued)

(i) Amendment to IAS 1 – Non-current liabilities with covenants (effective 1 January 2024)

The new amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.

It clarifies that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

This amendment may have a material impact on the financial statements of the Group if the requirements of the covenants of its loan arrangements are not met. The planned application date is 1 January 2024.

(ii) Amendment to IFRS 16 – Leases on sale and leaseback (effective 1 January 2024)

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

This amendment is not expected to have a material impact on the financial statement of the Group because they do not have any lease on sale and leaseback. The planned application date is 1 January 2024.

(iii) Amendment to IAS 7 and IFRS 7 - Supplier finance (effective 1 January 2024)

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

This amendment is not expected to have a material impact on the financial statement of the Group because they do not have any supplier finance arrangement. The planned application date is 1 January 2024.

(iv) Amendments to IAS 21 - Lack of Exchangeability (effective from 1 January 2025)

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

These amendments will require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

The Group is still assessing the impact of this amendment, however, there is no expected material impact as the Group has transactions and foreign operations in foreign currencies that are readily exchangeable as at the current reporting date. The planned application date is 1 January 2025.

(b) New standards and interpretations not yet adopted (continued)

(v) IFRS S1, 'General requirements for disclosure of sustainability-related financial information (effective 1 January 2024)

This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity.

This Standard is expected to have a material impact on the financial statements of the Group as it may influence an entity's cash flows, access to finance or cost of capital over the short, medium or long term through current and anticipated effects. The planned application date is 1 January 2024.

(vi) IFRS S2, 'Climate-related disclosures' (effective 1 January 2024)

This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. To achieve this objective, an entity is required to refer to and consider the applicability of industry-based disclosure topics as defined in the Industry-Based Guidance on Implementing IFRS S2.

This Standard is expected to have a material impact on the financial statements of the Group as it would be expected to disclose metrics on greenhouse gas emissions and other climate-related risks and opportunities. The planned application date is 1 January 2024.

2.2 Segment information

An operating segment is a component of an entity with the following features:
- that engages in business activities from which it may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);
- where operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance;
- for which discrete information is available.

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 the BUA Foods leadership team which comprises of the members of the Board of Directors and other executive officers.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of entity in the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of the subsidiaries is the Nigerian Naira. The consolidated financial statements are presented in Nigerian Naira, which is the functional and presentation currency of BUA Foods Plc (the parent)

(b) Transactions and balances

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 the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the functional currency are recognized in the income statement. Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within Administrative expenses.

2.4 Property, plant and equipment

All property, plant and equipment are stated initially at historical cost less accumulated depreciation and less any accumulated impairment losses. Historical cost includes expenditure that are directly attributable to the acquisition of the items. However, capital work-in-progress are not depreciated until they brought into use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no economic benefit is expected from its use. Any gains or losses arising on derecognition is included in the statement of profit or loss when the asset is derecognised.

2.4 Property, plant and equipment (continued)

Capital work in progress are not depreciated. Depreciation of assets commences when assets are available for use. Depreciation on other assets is calculated using the straight line method of calculation i.e. the cost of the assets less its residual value, if applicable, over the number of useful lives (in years), as follows:

	Useful life (Years)
Buildings	30-50
Plant and machinery	7-50
Furniture and fittings	5-8
Motor vehicles	8
Bearer plants	8
Trucks	5
Office equipment	5

Land is not depreciated.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting date. Residual values have been identified as 5% of the cost of plant and machinery and motor vehicles. However, the residual values for all other assets have been estimated to be zero.

In the case where an asset’s carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference (impairment loss) is recorded as an expense in profit or loss.

Gains and losses on disposal of property, plant and equipment are determined by the difference between the sales proceeds and the carrying amount of the asset. These gains and losses are included in profit or loss.

Interest costs on borrowings specifically used to finance the acquisition of property, plant and equipment are capitalized during the period of time required to prepare and substantially complete the asset for its intended use. Other borrowing costs are recorded in the profit or loss as expenses.

2.4.1 Biological assets

The Group recognizes biological assets when, and only when, the Group controls the assets as a result of past events, it is probable that future economic benefits associated with such assets will flow to the Group and the fair value or cost of the assets can be measured reliably. Expenditure incurred on biological assets are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell in terms of IAS 41. The gain or loss arising on initial recognition of such biological assets at fair value less costs to sell and from a change in fair value less costs to sell of biological assets are included in Statement of Profit or Loss for the period in which it arises. The Group has elected to measure biological assets at fair value less cost to sell.

2.4.2 Bearer Plants

A living plant that:
- is used in the production or supply of agricultural produce
- is expected to bear produce for more than one period, and
- has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants are classified as immature until the produce can be commercially harvested. At that point they are reclassified and depreciation commences in line with IAS 16. Immature bearer plants are measured at accumulated cost.

2.5 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6 Financial instruments

a Classification and measurement

(i) *Financial assets*

It is the Group'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 is dependent on the Group's business model for managing the asset and the cash flow characteristics of the asset. On this basis, the Group may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

The business models applied to assess the classification of the financial assets held by the Group are:

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

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

Hold to sell/residual: 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 financial assets of the Group 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 Group's financial assets include: trade and other receivables, due from related parties and cash and balances with banks. 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.

(ii) *Financial liabilities*

Financial liabilities of the Group are classified and measured at fair value on initial recognition and subsequently at amortised cost net of directly attributable transaction costs. The Group's financial liabilities include trade payables, accrued audit fees, other payables and accrued expenses, due to related parties, lease liabilities and borrowings.

b 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 (debt instruments) measured at amortised cost or at fair value through other comprehensive income (FVOCI). 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 simplified approach is applied for trade receivables while the general (three-stage) approach is applied to other receivables and amounts due from related parties.

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

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. 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.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each individual exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the cash recovery ratio of the counterparties. The EAD is the total amount outstanding at the reporting period. These three components are multiplied together and adjusted for forward-looking information, such as the gross domestic product (GDP) in Nigeria and inflation, to arrive at an ECL which is then discounted to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

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.

c Significant increase in credit risk and default definition

The Group assesses the credit risk of its financial assets based on the information obtained during a periodic review of publicly available information, industry trends and payment records. Based on the analysis of the information provided, the Group identifies the assets that require close monitoring.

Furthermore, financial assets that have been identified to be more than 30 days past due on contractual payments are assessed to have experienced a significant increase in credit risk. These assets are grouped as part of Stage 2 financial assets where the three-stage approach is applied.

In line with the Group'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 Group carries out active recovery strategies to recover all outstanding payments due on receivables. Where the Group 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.

d Derecognition

(i) *Financial assets*

The Group 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 in profit or loss.

(ii) *Financial liabilities*

The Group 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.

e 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 Group or the counterparty.

2.7 Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

Cost of raw materials and other costs incurred in bringing each product to its present location and condition are accounted for, on a weighted average cost basis. The cost of finished goods includes all direct costs relating to the production of these items. Finished goods are valued at weighted average cost.

The cost of engineering spares and raw materials is determined using the weighted-average method.

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.

2.8 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment.

2.9 Cash, cash equivalents and bank overdrafts

Cash and cash equivalents include cash at hand and deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included in current liabilities on the statement of financial position.

2.10 Borrowings

Borrowings are recognized initially at fair value, as the proceeds received, net of any transaction cost incurred. Borrowings are subsequently measured at amortized cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted in profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

2.11 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is within one year or less. Otherwise, they are classified as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.12 Current and deferred income taxes

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

The tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Minimum tax is applicable when the the Company has no taxable profit or the Company's calculated tax expense is less than the minimum tax.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax liabilities on a net basis. Deferred tax assets and liabilities are presented as non-current in the statement of financial position.

2.13 Employee benefits

(i) Pension scheme

Defined contribution scheme

The Group operates a defined contribution pension scheme for members of staff which is independent of its finances and is managed by Pension Fund Administrators. The scheme is funded by 8% contribution from employees and 10% contribution from the employer of the employee's basic, housing and transport allowances.

(ii) Short-term benefits

Short term employee benefit obligations which include wages, salaries, bonuses and other allowances for current employees are measured on an undiscounted basis and recognised and expensed in the Company's statement of profit or loss as the employees render such services.

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

Employee benefits (continued)

(iii) Share-based payment transactions

BUA Foods Plc awards certain employees of the Company performance shares and stock options which constitute equity settled share-based payment transactions. In accordance with IFRS 2 - Share-based Payments, the fair value of the plans concerned, which corresponds to the fair value of the services rendered by the beneficiaries, is measured at the grant date.

Share-based payment expenses should be recognised over the period during which the employees provide the relevant services.

2.14 Finance income

Finance income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.15 Finance cost

Finance cost comprises of interest expenses calculated using the effective interest rate method. This includes interest expenses on overdraft, borrowings, and lease liability. This also includes foreign exchange loss.

2.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods or services, in the ordinary course of the Group's activities and it is stated net of value added tax (VAT), rebates and returns. A valid contract is recognised as revenue after:
- the contract is approved by the parties;
- rights and obligations are recognised;
- collectability is probable;
- the contract has commercial substance;
- 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 at the inception of the contract. The Group is the principal in all of its revenue arrangements since it is the primary obligor in the revenue arrangements, has inventory risk and determines the pricing for the goods and services.

Identification of performance obligation

At inception, the Company assesses the goods or services promised in the contract with a customer to identify as a performance obligation, each promise to transfer to the customer either a distinct good or series of distinct goods.

The Company determines the stand-alone selling prices of all its performance obligations and recognises this when each performance obligation is satisfied. The Company has identified its performance obligations to be the sale of food materials such as sugar, flour, pasta, rice, and edible oils as well as packaged foods arising primarily from domestic sales. Additional performance obligations may arise from future contracts with the Company and its customers.

Sale of goods

Revenue is recognised when the control of the goods is transferred to the customer. This occurs when the goods are delivered to the customer or when goods are picked up by the customers. A contract liability is recognised for every advance payment made to the Group. Revenue is recognised when the goods are delivered to the customer.

Revenue is recognised based on the price specified in the contract, net of the estimated rebates and returns. Rebates are applied immediately on sale and are all utilized within a reporting period. Returns on goods are estimated at the inception of the contract except where a reasonable estimate cannot be made. In these instances, the returns are accounted for when they occur.

The delivery service provided by the Group is a sales fulfillment activity and the income earned is recognised at the point in time when the goods are delivered to the customer.

Revenue recognition
Sale of goods (continued)

Delivery occurs when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and when the customer has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.17 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:
– the contract involves the use of an identified asset – this may be specified explicitly or implicitly. If the supplier has a substantive substitution right, then the asset is not identified;
– the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
– the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
- the Group has the right to operate the asset; or
- the Group designed the asset in a way that predetermines how and for what purpose it will be used.

The Group primarily leases buildings (used as warehouses). The lease terms are typically for fixed periods ranging from 1 year to 40 years but may have extension options as described below. On renewal of a lease, the terms may be renegotiated.

Contracts may contain both lease and non-lease components. The Group has elected not to separate lease and non-lease components and instead accounts for these 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 agreements do not impose any covenants, however, leased assets may not be used as security for borrowing purposes.

Leases in which the Group is a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liabilities

At the commencement date of a lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate
- amounts expected to be payable by the Group under residual value guarantees

Lease liabilities (continued)
Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group where possible, uses recent third party financing received by the individual lessee as a starting point adjusted to reflect changes in financing conditions since third party financing was received. The Group may also use a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group and makes adjustments specific to the lease.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced by the lease payments made. The Group recognises both the principal and interest payment of lease as financing activities under the statement of cash flow. 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset where applicable.

Right-of-use assets
Right-of-use assets 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.

Right-of-use (ROU) assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

ROU assets and lease liabilities are presented separately on the face of the statement of financial position.

Intra-group leases
Leases of assets between the entities in the Group are eliminated on consolidation

2.18 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The Group received a government grant in form of a low interest loan to finance agricultural backward integration projects such as rice mills, and machinery acquisition. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. The Group has elected to present the grant in the statement of financial position as a liability, which is recognised in profit or loss on a systematic and rational basis over the useful life of the asset.

2.19 Earnings per share

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

2.20 Share capital, reserves and dividends

(i) Share capital

The Company has only one class of shares i.e. ordinary shares. Ordinary shares are classified as equity.

(ii) Reserves

Reserves include all current and prior period retained earnings, and reorganisation reserve.

Reorganisation reserve consists of the Company's merger transactions with entities under common control.

(iii) Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company’s shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the company. Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the statement of financial position.

3 Financial risk management

3.1 Financial risk factors

The Group's business activities expose it to a variety of financial risks: market risk (including foreign exchange, interest rate, and price), credit risk and liquidity risk. The objective of the Group's risk management programme is to minimize potential adverse impacts on the Group's financial performance.

Risk management is carried out in line with policies approved by the Board of Directors ("the Board"). The Board provides written principles for overall risk management, as well as set the overall risk appetite for the Group. Specific risk management approaches are defined for respective risks such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity. The Group's overall risk management program seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is the responsibility of the Treasury Manager, who aims to effectively manage the financial risk of the Group according to the policies approved by the Board. The Treasury Manager identifies and monitors financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange, interest rates and credit risks, use of financial instruments and investment of excess liquidity.

The Group's financial instruments consist of trade receivables, other debtors, due from related parties, cash and balances with banks, trade and other payables, due to related parties, bank overdraft, borrowings, and lease liabilities.

(a) Market risk

(i) Foreign exchange risk

The Group is exposed to foreign exchange risks arising mainly from its borrowings. This relates to short term Import Finance Facilities (IFF) from several Nigerian banks. The Company's foreign currency liabilities are analysed below:

	Group		Company	
Foreign currency denominated balances	**31 December 2023 N'000**	**31 December 2022 N'000**	**31 December 2023 N'000**	**31 December 2022 N'000**
Financial liabilities				
Borrowings	429,536,663	233,040,034	429,536,663	233,040,034

The table below shows the impact on the Group's profit and equity if the exchange rate between the US Dollar (USD) and Euro (EUR) on the Nigerian Naira had increased or decreased by 15% and 50% (2022: 10% and 15%), with all other variables held constant.

	Group		Company	
	31 December 2023 N'000	**31 December 2022 N'000**	**31 December 2023 N'000**	**31 December 2022 N'000**
Effect of 15% (2022: 10%) increase in USD exchange rate	63,522,849	22,954,509	63,522,849	22,954,509
Effect of 15% (2022: 10%) decrease in USD exchange rate	(63,522,849)	(22,954,509)	(63,522,849)	(22,954,509)
Effect of 50% (2022: 15%) decrease in USD exchange rate	211,742,831	34,431,763	211,742,831	34,431,763
Effect of 50% (2022: 15%) decrease in USD exchange rate	(211,742,831)	(34,431,763)	(211,742,831)	(34,431,763)
Effect of 15% (2022: 10%) increase in EUR exchange rate	907,650	349,495	907,650	349,495
Effect of 15% (2022: 10%) decrease in EUR exchange rate	(907,650)	(349,495)	(907,650)	(349,495)
Effect of 50% (2022: 15%) increase in EUR exchange rate	3,025,500	524,242	3,025,500	524,242
Effect of 50% (2022: 15%) increase in EUR exchange rate	(3,025,500)	(524,242)	(3,025,500)	(524,242)

At 31 December 2023, if the currency had weakened or strengthened by 15% (2022: 10%) against the USD with all the variables held constant, pre-tax profit for the year would have been N63.52 billion (2022: N22.95 billion) lower or higher. If it had weakened or strengthened by 50% (2022: 15%), against the USD with all the variables held constant, pre-tax profit for the year would have been N211.74 billion (2022: N34.43 billion) lower or higher mainly as a result of foreign exchange gains or losses on translation of USD denominated borrowings.

3.1 Financial risk factors (continued)

(ii) Price risk

The Group is not exposed to price risk as it does not hold any equity instrument.

(iii) Interest rate risk

The Group is not exposed to interest rate risk as the Group's does not hold financial assets and liabilities that are issued at a floating interest rate.

(b) Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from cash and balances with banks as well as credit exposures to customers, including receivables from related parties.

The Group uses policies to ensure that sales of products are to customers with appropriate credit history. The granting of credit is controlled by credit limits and the application of certain terms of sale. The Group carries out its business mostly on a cash and carry basis. Individual customers make cash deposits before delivery of goods and corporate customers make payment within 3 months after goods are delivered. At the year end, the Group considered that there were minimal credit risks. All trade receivables are current.

No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties. None of the counterparties renegotiated their terms in the reporting period.

The maximum exposure to credit risk for trade receivables approximates the amount recognized on the statement of financial position. The Group does not hold any collateral as security. See note 4.1.4 for the credit risk disclosures for financial assets measured using simplified approach (trade receivables) and those measured using the general (3 stage) approach (amounts due from related parties).

The table below analyses the Group’s financial assets into relevant maturity groupings as at the reporting date.

Group

At 31 December 2023

Financial assets:	**1-90 days**	**91 - 365 days**	**Over 365 days**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Trade receivables (Note 16)	1,671,987	174,150	1,709	1,847,846
Other debtors (Note 16)	-	144,344,098	-	144,344,098
Due from related parties (Note 24b)*	-	362,891,289	-	362,891,289
	1,671,987	**507,409,537**	**1,709**	**509,083,232**

At 31 December 2022

Financial assets:	**1-90 days**	**91 - 365 days**	**Over 365 days**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Trade receivables (Note 16)	551,020	120	113	551,253
Other debtors (Note 16)	-	107,040,452	-	107,040,452
Due from related parties (Note 24b)*	-	101,739,327	-	101,739,327
	551,020	**208,779,899**	**113**	**209,331,032**

3.1 Financial risk factors (continued)
(b) Credit risk (continued)
Company

At 31 December 2023

Financial assets:	**1-90 days**	**91 - 365 days**	**Over 365 days**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Trade receivables (Note 16)	1,671,987	174,150	1,709	1,847,846
Other debtors (Note 16)	-	144,344,098	-	144,344,098
Due from related parties (Note 24b)*	-	596,583,420	-	596,583,420
	1,671,987	**741,101,668**	**1,709**	**742,775,363**

At 31 December 2022

Financial assets:	**1-90 days**	**91 - 365 days**	**Over 365 days**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Trade receivables (Note 16)	547,275	120	113	547,508
Other debtors (Note 16)	-	107,040,452	-	107,040,452
Due from related parties (Note 24b)*	-	250,809,523	-	250,809,523
	547,275	**357,850,095**	**113**	**358,397,483**

Credit quality of cash and balances with banks

An analysis of the international long term credit ratings of counterparties where cash and short-term deposits are held is as follows:

	Group		**Company**	
	31 December 2023	**31 December 2022**	**31 December 2023**	**31 December 2022**
Credit rating	**N'000**	**N'000**	**N'000**	**N'000**
A+	-	3,303,283	-	3,303,283
A	107,049	405,591	107,049	405,591
A-	203,896	-	203,896	
AA	4,144	224,434	4,144	224,434
AA-	-	1,177,650	-	1,168,347
AAA	-	58,973	-	58,973
B-	62,548,330	-	62,510,071	-
BBB	1,326,426	869,058	1,326,426	830,173
BBB+	10,548,535	11,555,011	10,548,535	11,555,011
BBB-	945,086	-	945,086	-
CC	327,729	-	327,729	-
CCC+	2,331,547	-	2,331,547	-
Not Rated (NR)	21,782,048	14,569,428	21,782,048	14,565,215
	100,124,790	**32,163,428**	**100,086,531**	**32,111,028**

*Due from related parties are not rated. For impairment purposes a credit rating of CCC has been applied. This is derived from a 1 notch downgrade of the Country's rating.

Credit rating keys

AAA: A financial institution of good condition and strong capacity to meet its obligations with expectations of very low default risk. It indicates very strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA - Very high credit quality relative to other issuers or obligations in the same country. Protection factors are very strong. Adverse changes in business, economic or financial conditions would increase investment risk although not significantly.

A - High credit quality relative to other issuers or obligations in the same country. Protection factors are good. However, risk factors are more variable and greater in periods of economic stress.

3.1 Financial risk factors (continued)

BBB - Adequate protection factors relative to other issuers or obligations in the same country. However, there is considerable variability in risk during economic cycles.

B - Material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

CCC - Very low margin for safety. Default is a real possibility.

CC - Default of some kind appears probable.

NR- No rating available.

A + (plus) or – (minus) may be added to a rating. A plus added to a rating indicates that the rating may be raised. A minus means that the rating may be lowered. When no plus or minus is added to the rating, this means that the rating is unlikely to change. A positive or negative added to a rating is therefore a reflection of the rating outlook.

The credit ratings were sourced from Fitch Ratings Inc. and Global Credit Rating Company Limited.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Liquidity risk is managed by maintaining sufficient cash reserves to operational needs at all times so that the Group does not breach borrowing limits on any of its borrowing facilities. The Group manages liquidity risk by effective working capital and cash flow management.

Maturity analysis

The table below analyses the Group's financial liabilities into relevant maturity based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group

At 31 December 2023	Less than 1 year N'000	Between 1 and 2 years N'000	Above 2 years N'000	Total Undiscounted N'000
Financial liabilities:				
Bank overdraft (Note 17)	573,175	-	-	573,175
Trade and other payables (Note 19)	9,541,352	-	-	9,541,352
Borrowings (Note 18)	649,699,556	563,078	739,907	651,002,541
Lease liabilities (Note 14)	5,073	10,146	172,478	187,697
	659,819,156	**573,224**	**912,385**	**661,304,765**

At 31 December 2022	Less than 1 year N'000	Between 1 and 2 years N'000	Above 2 years N'000	Total Undiscounted N'000
Financial liabilities:				
Bank overdraft (Note 17)	4,490,873	-	-	4,490,873
Trade and other payables (Note 19)	8,162,177	-	-	8,162,177
Borrowings (Note 18)	208,195,755	2,444,830	1,237,092	211,877,677
Lease liabilities (Note 14)	5,073	10,146	172,148	187,367
	220,853,878	**2,454,976**	**1,409,240**	**224,718,095**

Company

At 31 December 2023	Less than 1 year N'000	Between 1 and 2 years N'000	Above 2 years N'000	Total Undiscounted N'000
Financial liabilities:				
Bank overdraft (Note 17)	573,175	-	-	573,175
Trade and other payables (Note 19)	9,327,524	-	-	9,327,524
Borrowings (Note 18)	649,699,556	563,078	739,907	651,002,541
Lease liabilities (Note 14)	5,073	10,146	172,478	187,697
	659,605,328	**573,224**	**912,385**	**661,090,937**

At 31 December 2022	Less than 1 year N'000	Between 1 and 2 years N'000	Above 2 years N'000	Total Undiscounted N'000
Financial liabilities:				
Bank overdraft (Note 17)	4,490,873	-	-	4,490,873
Trade and other payables (Note 19)	6,308,069	-	-	6,308,069
Borrowings (Note 18)	208,195,755	2,444,830	1,237,092	211,877,677
Lease liabilities (Note 14)	5,073	10,146	172,478	187,697
	218,999,770	**2,454,976**	**1,409,570**	**222,864,317**

**Value added tax (VAT), Withholding tax (WHT), and other statutory related items are not included as part of financial instruments.

3.2 Fair value estimation

All the Group's financial assets and liabilities are measured at amortised cost. The carrying amounts of all financial assets and liabilities at the reporting date and the comparative period approximate their fair values except for borrowings and lease laibilities.

3.3 Financial instruments by category

Group	At 31 December 2023		At 31 December 2022	
	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial liabilities at amortised cost
	N'000	N'000	N'000	N'000
Financial assets				
Trade receivables and other debtors (Note 16)	146,000,193	-	107,578,798	-
Due from related parties (Note 24b)	348,860,131	-	95,420,170	-
Cash and balances with banks (Note 17)	100,124,789	-	32,163,428	-
Financial liabilities				
Bank overdraft (Note 17)	-	573,175	-	4,490,873
Trade and other payables (Note 19)	-	9,541,352	-	8,162,177
Lease liabilities (Note 14)	-	37,722	-	37,751
Borrowings (Note 18)	-	651,076,842	-	211,671,012
	594,985,113	661,229,091	235,162,396	224,361,813

Company	At 31 December 2023		At 31 December 2022	
	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at amortised cost	Financial liabilities at amortised cost
	N'000	N'000	N'000	N'000
Financial assets				
Trade receivables and other debtors (Note 16)	146,000,193	-	107,575,053	-
Due from related parties (Note 24b)	582,047,214	-	244,490,366	-
Cash and balances with banks (Note 17)	100,086,530	-	32,111,028	-
Financial liabilities				
Bank overdraft (Note 17)	-	573,175	-	4,490,873
Trade and other payables (Note 19)	-	9,327,524	-	6,308,069
Lease liabilities (Note 14)	-	37,722	-	37,751
Borrowings (Note 18)	-	651,076,841	-	211,671,012
	828,133,936	661,015,263	384,176,447	222,507,705

3.4 Capital risk management

The objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to maximize returns for shareholders and benefits for other stakeholders as well as maintaining the optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, capital returned to shareholders, new shares issued, or debt raised.

Consistent with others in the industry, the Group monitors capital on a monthly basis using the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (comprising bank overdraft, current and non-current borrowings as shown in the statement of financial position) less cash and balances with banks. Total capital is calculated as the sum of all equity components on the statement of financial position.

The gearing ratios at 31 December 2023 and 2022 are as follows:

	Group 31 December 2023 N'000	Group 31 December 2022 N'000	Company 31 December 2023 N'000	Company 31 December 2022 N'000
Net debt (Note 18c)	551,525,227	183,998,456	551,563,486	184,050,856
Total equity	262,058,834	230,961,337	259,219,238	228,161,079
Gearing ratio	**210%**	**80%**	**213%**	**81%**

4 Critical accounting estimates, judgments

4.1 Critical accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires Directors to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on Directors experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Significant accounting judgment and estimates made in the preparation of the consolidated and separate financial statements are shown below:

4.1.1 *Plant and machinery - Estimation of useful life*

Plant and machinery is depreciated over its useful life. The Group estimates the useful lives of plant and machinery based on the period over which the assets are expected to be available for use. The estimation of the useful lives of plant and machinery are based on technical evaluations carried out by those staff with knowledge of the machines and experience with similar assets. Estimates could change if expectations differ due to physical wear and tear and technical or commercial obsolescence. It is possible however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of expenses for any period would be affected by changes in these factors and circumstances.

The Group considers this to be a critical accounting estimate because any material change in the useful lives of the Group's plant and machinery would significantly impact the Group's ability to generate future cashflows, and depending on the asset, would have a material impact on the carrying value and may decrease/increase the Company's net profit/loss.

4.1.2 *Leases - Determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant:
- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors, including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and is within the control of the lessee. The financial effect of revising lease terms to reflect the effect of exercising extension and termination options causes change in the recognised lease liabilities and right-of-use assets. During the financial year, there were no revised lease terms.

4 Critical accounting estimates, judgments (continued)

4.1.3 *Share-based payment transactions*

The Group exercised significant judgement in estimating the share based payment expense. The area where significant judgement was exercised by the directors relates to the determination of the share price used for the computation of the equity settled share based payment.

The directors recognised share base payment expense of 1.9 billion relating to the fair value of the equity settled shares alloted to employees for past service rendered. In this instance, the Group could not accurately value the services provide by the employee, management consequently benchmarked the value to the shares of the Group. with the share price determined through appropriate methodology and judgement of the Group. The share base expense was determined by multiplying the total shares allocated by the share price.

4.1.4 *Impairment of financial assets*

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 2.6.

The Company's financial assets that are subject to expected credit loss model are as follows:

- Trade receivables
- Amount due from related parties and;
- Other debtors
- Cash and balances with banks.

While other debtors, and cash and balances with banks are also subject to the impairment requirements, the identified impairment loss was immaterial.

i. *Trade receivables*

The Company applies the simplified approach in measuring the expected credit losses (ECL) which calculates a lifetime expected loss allowance (ECL) for all trade receivables. Trade receivables represent the amount receivable from customers for the sale of goods in the ordinary course of business. The expected credit loss for trade receivables is determined using a provision matrix approach.

The provision matrix approach is based on the historical credit loss experience observed based on the settlement pattern of customers over the expected life of the receivable and adjusted for forward-looking estimates of relevant macroeconomic variables. The macroeconomic variables considered include Inflation rate and Brent oil price.

The expected loss rates as at 31 December 2023 are as follows:
Group and Company

Age of trade receivables	0 - 30 days N'000	31 - 90 days N'000	91 - 180 days N'000	181 - 365 days N'000	Over 365 days N'000	Total N'000
Gross carrying amount	1,612,019	28,918	174,270	-	32,639	1,847,846
Default rate	7.75%	10.11%	17.91%	24.00%	100%	
Lifetime ECL	124,970	2,923	31,219	-	32,639	191,751
Net trade receivables	1,487,049	25,995	143,051	-	-	1,656,095

The expected loss rates as at 31 December 2022 are as follows:
Group

Age of trade receivables	0 - 30 days N'000	31 - 90 days N'000	91 - 180 days N'000	181 - 365 days N'000	Over 365 days N'000	Total N'000
Gross carrying amount	455,204	95,816	120	-	113	551,253
Default rate	1.37%	6.75%	55.74%	86.75%	100%	
Lifetime ECL	6,258	6,469	67	-	113	12,907
Net trade receivables	448,946	89,347	53	-	-	538,346

4 Critical accounting estimates, judgments (continued)
Company

Age of trade receivables	0 - 30 days N'000	31 - 90 days N'000	91 - 180 days N'000	181 - 365 days N'000	Over 365 days N'000	Total N'000
Gross carrying amount	451,459	95,816	120	-	113	547,508
Default rate	1.39%	6.75%	55.74%	86.75%	100%	
Lifetime ECL	6,258	6,469	67	-	113	12,907
Net trade receivables	445,201	89,347	53	-	-	534,601

ii. *Amounts due from related parties*

Amounts due from related parties arises from expenses incurred on behalf of related parties. The general (3 stage) approach has been adopted for recognising expected credit loss on amounts due from related parties as they do not meet the criteria for applying the simplified approach.

A day one provision is now required on these instruments. The three-stage model will require monitoring of credit risk to determine when there has been a significant increase. The ECL has been calculated using the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD). The three (3) stage model also incorporates forward-looking estimates.

Group

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
At 31 December 2023	**N'000**	**N'000**	**N'000**	**N'000**
Gross EAD*	362,891,289			362,891,289
Loss allowance as at 31 December 2023	(14,031,158)			(14,031,158)
Net EAD	348,860,131	-	-	348,860,131
At 31 December 2022	**N'000**	**N'000**	**N'000**	**N'000**
Gross EAD*	101,739,327	-	-	101,739,327
Loss allowance as at 31 December 2022	(6,319,157)	-	-	(6,319,157)
Net EAD	95,420,170	-	-	95,420,170

Company

	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
At 31 December 2023	**N'000**	**N'000**	**N'000**	**N'000**
Gross EAD*	596,583,420			596,583,420
Loss allowance as at 31 December 2023	(14,536,206)			(14,536,206)
Net EAD	582,047,214	-	-	582,047,214
At 31 December 2022	**N'000**	**N'000**	**N'000**	**N'000**
Gross EAD*	250,809,523	-	-	250,809,523
Loss allowance as at 31 December 2022	(6,319,157)	-	-	(6,319,157)
Net EAD	244,490,366	-	-	244,490,366

The Company considers both quantitative and qualitative indicators (staging criteria) in classifying its related party receivables into the relevant stages for impairment calculation.

Impairment of amount due from related parties are recognised in three stages based on certain quantitative and qualitative criteria such as:

- Days past due
- Credit rating at origination
- Current credit rating
- Significant adverse changes in business, financial and/or economic conditions in which the related party operates

Stage 1: This stage includes receivables at origination and receivables that do not have indications of a significant increase in credit risk.

Stage 2: This stage includes receivables that have been assessed to have a significant increase in credit risk using the above mentioned criteria, more than 30 days past due and other qualitative indicators such as the increase in political risk concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance.

Stage 3: This stage includes financial assets that have been assessed as being in default (e.g. receivables that are more than 90 days past due) and have a clear indication that the imposition of financial or legal penalties and/or sanctions will make the full recovery of indebtedness highly improbable.

iii. *Other debtors*

The Company also assessed other debtors to determine their expected credit losses. Based on this assessment, they identified the expected losses on other debtors as at 31 December 2023 and 31 December 2022 to be insignificant, as the loss rate is deemed immaterial. Other debtors are assessed to be in stage 1.

iv. *Cash and balances with banks*

The Company also assessed the cash and balances with banks to determine their expected credit losses. Based on this assessment, they identified the expected losses on cash as at 31 December 2023 and 31 December 2022 to be insignificant, as the loss rate is deemed immaterial. Cash and balances with banks are assessed to be in stage 1.

Sensitivity of estimates used in ECL

Estimation uncertainity in measuring impairment loss

In establishing sensitivity to ECL estimates for trade receivables and related parties receivables, three variables (GDP growth rate, Brent Oil Price, and Inflation rate) were considered. Of these variables, the Group's receivables portfolio reflects greater responsiveness to GDP growth rate and Inflation rate.

i **Trade receivables**

The table below shows information on the sensitivity of the carrying amounts of the Group's financial assets to the methods, assumptions and estimates used in calculating impairment losses on those financial assets at the end of the reporting period. Changes to these methods, assumptions and estimates may result in material adjustments to the carrying amounts of the Group's financial assets.

Expected cash flow recoverable:

The table below demonstrates the sensitivity to a 10% change in the expected cash flows from trade receivables, with all other variables held constant:

	Effect on profit before tax			
	Group		**Company**	
	2023	**2022**	**2023**	**2022**
	N'000	**N'000**	**N'000**	**N'000**
Increase/decrease in estimated cash flows				
+10%	19,175	1,291	19,175	1,291
-10%	(19,175)	(1,291)	(19,175)	(1,291)

Forward looking macro-economic variables:

This table shows the sensitivity of the expected credit loss to an inverse and positive change to each forward-looking macro variables, with all other variables held constant:

	2023 Effect on expected credit loss		
	Brent Oil Price		
	-10%	**Held constant**	**+10%**
Inflation rate	**N'000**	**N'000**	**N'000**
+10%	3,603	10,229	16,856
Held constant	(6,627)	-	6,627
-10%	(16,856)	(10,229)	(3,603)

	2022 Effect on expected credit loss		
	Brent Oil Price		
	-10%	Held constant	+10%
Inflation rate	N'000	N'000	N'000
+10%	292	830	1,367
Held constant	(538)	-	538
-10%	(1,367)	(830)	(292)

ii **Related party receivables**

The table below demonstrates the sensitivity to movements in the following inputs for related parties receivables with all other variables held constant:

Probability of default (PD)

	Effect on profit before tax			
	Group	Group	Company	Company
	2023	2022	2023	2022
Increase/decrease in PD	N'000	N'000	N'000	N'000
+10%	573,642	(258,358)	594,290	(258,358)
-10%	(573,642)	258,358	(594,290)	258,358

Loss given default (LGD)

	Effect on profit before tax			
	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Increase/decrease in loss given default				
+10%	1,403,116	(609,291)	1,453,621	(609,291)
-10%	(1,403,116)	609,291	(1,453,621)	609,291

Forward looking macroeconomic indicators

	2023 Effect on expected credit loss		
	Brent Oil Price		
	-10%	Held constant	+10%
GDP growth rate	N'000	N'000	N'000
+10%	(995,394)	(706,072)	(416,750)
Held constant	(289,322)	-	289,322
-10%	416,750	706,072	995,394

	2022 Effect on expected credit loss		
	Brent Oil Price		
	-10%	Held constant	+10%
GDP growth rate	N'000	N'000	N'000
+10%	(434,353)	(307,399)	(180,446)
Held constant	(126,953)	-	126,953
-10%	180,446	307,399	434,353

5 Revenue from contracts with customers

a Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time in the following major product categories:

	Group		Company	
	31 December 2023	**31 December 2022**	**31 December 2023**	**31 December 2022**
	N'000	**N'000**	**N'000**	**N'000**
Sales - Sugar (Non-fortified)	82,238,811	145,164,463	56,414,020	84,190,273
Sales - Sugar (Fortified)	339,672,022	129,242,980	126,626,081	73,027,818
Sales - Molasses	907,163	743,033	453,209	461,730
Sales - Pasta	87,757,455	57,247,363	87,757,455	57,247,363
Sales - Bakery Flour	200,176,863	79,687,571	200,176,863	79,687,571
Sales - Bran	16,583,803	6,262,360	16,583,803	6,262,360
Sales - Rice	2,107,239	-	2,107,239	-
	729,443,355	**418,347,770**	**490,118,669**	**300,877,115**

Nigeria is the Group's major geographical segment as 95.5% of the Group's revenue is earned from sales in Nigeria (2022: 86%). See note 26 for detailed information on Segment reporting.

All of the Group's revenue is derived from sale of similar products with similar performance obligation. Additionally, no customer contributed up to 10% of revenue (2022: N53.91 billion from two major customers).

b Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers:

	Group		Company	
	31 December 2023	**31 December 2022**	**31 December 2023**	**31 December 2022**
	N'000	**N'000**	**N'000**	**N'000**
Contract liabilities – advance payment from customers*	68,950,583	47,139,328	68,950,583	47,139,328

	Group		Company	
	2023	**2022**	**2023**	**2022**
	N'000	**N'000**	**N'000**	**N'000**
Balance as at 1 January	47,139,328	40,931,459	47,139,328	40,931,459
Payments received in advance	68,950,583	47,139,328	68,950,583	47,139,328
Revenue recognised for goods previously paid for	(47,139,328)	(40,931,459)	(47,139,328)	(40,931,459)
Balance as at 31 December	68,950,583	47,139,328	68,950,583	47,139,328

*Advance payment from customers are deposits made in advance by customers for goods which are yet to be supplied as of the year end date. The increase in contract liabilities was largely due to commissioning of two additional production lines during the year.

6 Cost of sales

	Group		Company	
	31 December 2023	**31 December 2022**	**31 December 2023**	**31 December 2022**
	N'000	**N'000**	**N'000**	**N'000**
Cost of raw materials consumed	447,587,715	260,181,432	316,167,704	199,146,326
Factory production overhead	14,439,964	14,119,572	5,577,190	11,548,565
Depreciation of property, plant and equipment (Note 13a)	6,164,631	3,855,671	6,164,631	3,710,296
Depreciation of right-of-use assets (Note 14c)	842	1,005,295	842	842
Management fee (Note 24a)	-	5,911,271	-	4,249,062
Direct labour	790,604	481,995	790,604	481,995
	468,983,756	**285,555,236**	**328,700,970**	**219,137,086**

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
7 Administrative expenses	**N'000**	**N'000**	**N'000**	**N'000**
Audit fees	138,000	109,590	120,000	109,205
Staff cost (Note 7a)	5,556,270	6,093,285	4,003,551	4,901,953
Director emoluments	391,544	353,337	391,544	353,337
Donations	89,904	142,317	20,998	108,321
Depreciation of property, plant and equipment (Note 13a)	3,236,022	3,320,438	2,888,227	3,248,438
Rent and rates	137,048	98,378	41,140	33,717
General expenses	2,192,338	5,385,412	1,892,348	5,125,327
Security	100,537	69,912	54,546	38,341
Travel and transportation	494,350	204,588	492,177	203,400
Subscriptions	214,383	7,398	210,190	4,788
Legal and Professional expenses	233,071	45,053	233,071	45,053
Hotel and accommodation	161,431	104,469	154,882	95,621
Advertisement	76,011	81,722	64,309	77,044
Electricity	65,695	180,698	59,565	106,981
Other expenses	1,119,096	1,005,862	853,384	873,569
Consumables	471,258	-	471,258	-
Repairs and Maintenance	1,668,966	-	1,668,966	-
Entertainment	20,573	13,426	12,866	3,230
Training	5,131	1,495	5,131	1,495
Bank charges	782,484	1,465,320	782,266	1,465,215
Printing and Stationery	58,551	51,219	46,436	45,021
	17,212,664	**18,733,919**	**14,466,856**	**16,840,057**

Details of professionals that provided services to the Company during the year are below:

a) Details of professionals that provided assurance services to the Company during the year:

Name of the professional firm	**Summary of services rendered**	**Name/FRC Number**
KPMG FRC/2023/COY/267452	Implementation Support for Internal Control over Financial Reporting and Development of ICFR Framework	Bimpe Afolabi FRC/2012/ICAN/00000000437

b) Details of other services rendered by the auditors:

Services rendered	**Applicable fees N'000**
Internal Control for Financial Reporting Awareness Workshop	7,000

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
a *Staff cost*	**N'000**	**N'000**	**N'000**	**N'000**
Staff salaries	5,240,560	3,882,266	3,718,581	2,698,910
Terminal benefit	90,013	174,408	75,719	174,408
Pension (employer contribution)	15,088	9,778	15,088	9,778
Staff welfare and training	89,189	55,509	77,811	50,388
Medical	34,800	25,969	29,730	23,114
Other staff costs	86,621	46,710	86,621	46,710
Share based payment expense*	-	1,898,645	-	1,898,645
	5,556,270	**6,093,285**	**4,003,551**	**4,901,953**

*This relates to 31.9 million units of shares alloted to 324 staff members for past services rendered. The grant date of the equity settled share based payments was May 6 2022 with a fair value of N59.50k per share. The share price was determined through publicly available information and management judgement. The shares vested immediately during the year ended 31 December 2022.

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
8 Selling and distribution cost	**N'000**	**N'000**	**N'000**	**N'000**
Haulage expense	28,790,648	13,406,911	19,088,292	10,641,607
Other selling and marketing expenses	1,058,648	778,572	681,871	101,554
	29,849,296	**14,185,483**	**19,770,163**	**10,743,161**

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Expenses summarised as follows:	**N'000**	**N'000**	**N'000**	**N'000**
Cost of sales	468,983,756	285,555,236	328,700,970	219,137,086
Administrative expenses	17,212,664	18,733,919	14,466,856	16,840,057
Selling and distribution expenses	29,849,296	14,185,483	19,770,163	10,743,161
	516,045,716	**318,474,637**	**362,937,989**	**246,720,304**

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
9 *Net impairment loss/(write-back) on financial assets*	**N'000**	**N'000**	**N'000**	**N'000**
Increase/(Decrease) in loss allowance on trade receivables (Note 16a)	178,844	(400,575)	178,843	(400,575)
Increase/(Decrease) in loss allowance on due from related parties (Note 24c)	7,712,001	(1,975,926)	8,217,049	(1,975,926)
	7,890,845	(2,376,501)	8,395,892	(2,376,501)

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
10 Other income	**N'000**	**N'000**	**N'000**	**N'000**
Rental income	-	1,520,000	1,520,000	1,520,000
Sundry income	650,260	13,651,059	611,502	13,646,343
Dividend income*	-	-	64,577,818	42,264,855
Release of government grant (Note 20)	115,208	48,635	115,208	48,635
Sales - Scrap	43,855	22,966	43,855	22,966
	809,325	**15,242,660**	**66,868,384**	**57,502,799**

Sundry income represent excess provisions for statutory obligations recognised in previous years no longer required.

*Dividend income relates to interim dividend from BUA Sugar Refinery FZE.

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
11 Finance income/(cost)	**N'000**	**N'000**	**N'000**	**N'000**
Finance income				
Interest income*	2,497,371	39,721	2,497,371	39,721
	2,497,371	39,721	2,497,371	39,721
Finance cost				
Interest expense on overdraft	(247,082)	(1,242,707)	(247,082)	(1,242,707)
Interest expense on borrowings (Note 18b)	(18,562,117)	(7,206,426)	(11,588,362)	(6,696,357)
Interest on lease liabilities (Note 14c)	(5,044)	(272,648)	(5,044)	(923)
Foreign exchange loss	(81,864,676)	-	(68,214,821)	-
	(100,678,918)	(8,721,781)	(80,055,309)	(7,939,988)
Net finance cost	**(98,181,548)**	**(8,682,060)**	**(77,557,938)**	**(7,900,267)**

*Interest income relates to interest earned on cash collaterals with the banks.

12 Taxation

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
a Minimum tax				
Minimum tax charge (0.05% of gross turnover less franked investment income)	10,640	1,580,531	10,640	1,580,531

In line with IFRIC 21, the minimum tax levy is not included in the income tax expense in the statement of profit or loss and other comprehensive income for the year. The balance outstanding as at the reporting date is is presented within Trade and Other payables in the Statement of financial position (Note 19).

b Income tax expense

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
Company Income tax	6,621,582	(4,441,672)	6,621,582	(4,441,672)
Tertiary education tax - 3% of assessable profit	695,164	1,770,121	695,164	1,770,121
Nigeria Police Fund levy - 0.005% of profit before tax	3,527	5,477	3,527	5,477
NASENI levy - 0.25% of profit before tax	176,359	-	176,359	-
	7,496,632	(2,666,074)	7,496,632	(2,666,074)
Deferred tax (credit)/charge	(11,470,197)	18,551,757	(11,470,197)	18,551,757
Tax (credit)/charge	**(3,973,565)**	**15,885,683**	**(3,973,565)**	**15,885,683**

Pioneer status covering a three-year period was approved on 5 May 2023 for IRS Pasta production line 1 from 1 December 2022 and from 1 January 2023 for IRS Flour Mills production line 1. As a result, no current income tax has been accrued on the pioneer profits in the year.

c Current income tax payable

The movement in tax payable is as follows:

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
Balance at the beginning of the year	8,323,257	12,262,336	8,323,257	12,262,336
Provision for the year (Note 12b)	7,496,632	(2,666,074)	7,496,632	(2,666,074)
Payment during the period	-	(1,273,005)	-	(1,273,005)
Closing balance	**15,819,889**	**8,323,257**	**15,819,889**	**8,323,257**
Reconciliation of tax paid in the statement of cash flows:				
Income tax paid	-	(1,273,005)	-	(1,273,005)
Minimum tax paid (Note 19a)	(1,387,872)	(516,409)	(1,387,872)	(516,409)
	(1,387,872)	**(1,789,414)**	**(1,387,872)**	**(1,789,414)**

A reconciliation of the Group's tax expense and the product of accounting profit multiplied by domestic tax rate for the year ended 31 December 2023 and 31 December 2022 is as follows:

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
Profit before tax	108,123,932	107,229,703	108,084,594	104,555,313
Tax at 30% statutory tax rate	32,437,180	32,168,911	32,425,378	31,366,594
Adjustments:				
Tertiary education tax	(695,164)	(1,770,121)	695,164	(1,770,121)
Effect of permanent difference	(35,525,055)	(12,927,100)	(36,903,581)	(12,124,783)
Minimum tax adjustment	(10,640)	(1,580,531)	(10,640)	(1,580,531)
NASENI levy	(176,359)	-	(176,359)	-
Nigeria Police Fund levy	(3,527)	(5,477)	(3,527)	(5,477)
Tax charge for the year	(3,973,565)	15,885,683	(3,973,565)	15,885,683

12 Taxation (continued)

	31 December 2023	31 December 2022	31 December 2023	31 December 2022
d Deferred tax liabilities	**N'000**	**N'000**	**N'000**	**N'000**
Opening balance	33,776,943	15,225,186	33,776,943	15,225,186
Deferred tax (credit)/charge	(11,470,197)	18,551,757	(11,470,197)	18,551,757
Closing balance	22,306,746	33,776,943	22,306,746	33,776,943

The analysis of deferred tax liabilities is as follows:

Group	**Unused tax losses**	**Property, plant and equipment N'000**	**Unrealised exchange difference N'000**	**Provisions N'000**	**Total N'000**
At 1 January 2023	-	36,575,554	-	(2,798,611)	33,776,943
Credited to profit or loss	(43,330)	(9,352,520)	(2,323,965)	249,618	(11,470,197)
At 31 December 2023	(43,330)	27,223,034	(2,323,965)	(2,548,993)	22,306,746

	Unused tax losses	**Property, plant and equipment N'000**	**Unrealised exchange difference N'000**	**Provisions N'000**	**Total N'000**
At 1 January 2022	-	18,023,797	-	(2,798,611)	15,225,186
Charged to profit or loss	-	18,551,757	-	-	18,551,757
At 31 December 2022	-	36,575,554	-	(2,798,611)	33,776,943

Company	**Unused tax losses**	**Property, plant and equipment N'000**	**Unrealised exchange difference N'000**	**Provisions N'000**	**Total N'000**
At 1 January 2023	-	36,575,554	-	(2,798,611)	33,776,943
Charged to profit or loss	(43,330)	(9,352,520)	(2,323,965)	249,618	(11,470,197)
At 31 December 2023	(43,330)	27,223,034	(2,323,965)	(2,548,993)	22,306,746

	Unused tax losses	**Property, plant and equipment N'000**	**Unrealised exchange difference N'000**	**Provisions N'000**	**Total N'000**
At 1 January 2022	-	18,023,797	-	(2,798,611)	15,225,186
Charged to profit or loss	-	18,551,757	-	-	18,551,757
At 31 December 2022	-	36,575,554	-	(2,798,611)	33,776,943

13 Property, plant and equipment

Group	Land and Buildings	Plant and machinery	Furniture and fittings	Motor vehicles	Trucks	Office equipment	Bearer Plant*	Capital work-in-progress	Total
	N'000	N' 000	N' 000	N' 000	N' 000	N' 000		N' 000	N' 000
At 1 January 2023	13,299,046	185,230,257	351,430	839,489	2,097,662	631,350	704,712	173,401,812	376,555,757
Additions during the year	38,002	-	89,467	266,722	-	56,066	212,587	36,423,143	37,085,988
Transfer	-	49,427,548	-	-	-	-	-	(49,427,548)	-
Disposals	-	-	-	-	-	(345)	-	-	(345)
At 31 December 2023	13,337,048	234,657,805	440,897	1,106,211	2,097,662	687,071	917,299	160,397,407	413,641,400
Cost									
At 1 January 2022	11,230,841	170,861,519	299,608	717,671	2,097,662	520,431	-	174,803,817	360,531,549
Additions during the year	28,337	195,746	51,822	121,818	-	110,919	160,811	14,810,854	15,480,306
Transfer	2,039,868	14,172,992	-	-	-	-	543,901	(16,212,859)	543,901
At 31 December 2022	13,299,046	185,230,257	351,430	839,489	2,097,662	631,350	704,712	173,401,812	376,555,756
Accumulated depreciation									
At 1 January 2023	2,137,789	40,493,034	247,588	651,205	2,097,662	404,727	-	-	46,032,005
Depreciation charge for the year	269,775	9,106,629	54,349	69,521	-	117,466	-	-	9,617,740
Disposals	-	-		-	-	(207)		-	(207)
At 31 December 2023	2,407,564	49,599,663	301,937	720,726	2,097,662	521,986	-	-	55,649,538
At 1 January 2022	1,873,159	33,874,407	177,734	579,716	1,999,613	351,267	-	-	38,855,895
Depreciation charge for the year	264,630	6,618,627	69,854	71,489	98,049	53,460	-	-	7,176,109
At 31 December 2022	2,137,789	40,493,034	247,588	651,205	2,097,662	404,727	-	-	46,032,004
Net book value									
At 31 December 2023	10,929,484	185,058,142	138,960	385,485	-	165,085	917,299	160,397,407	357,991,862
At 31 December 2022	11,161,256	144,737,223	103,842	188,284	-	226,623	704,712	173,401,812	330,523,752

*Bearer plants relates to accumulated cost on plantation development expenditure and unharvested canes which are still classified as immature as at the end of the reporting period and consequently not depreciated based on the provision of IAS 16.

At year end, land accounted for N1.58 billion of the total land and buildings balance (2022: N1.58 billion) which is not depreciated.

13 Property, plant and equipment (continued)

Company	**Land and Buildings**	**Plant and machinery**	**Furniture and fittings**	**Motor vehicles**	**Trucks**	**Office equipment**	**Capital work-in-progress**	**Total**
	N'000	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**
Cost								
At 1 January 2023	12,335,743	184,386,042	184,257	686,567	2,097,662	198,920	96,262,065	296,151,256
Additions during the year	37,002	284,116	76,516	99,980	-	50,078	20,863,074	21,410,766
Transfer		49,066,704					(49,066,704)	-
At 31 December 2023	12,372,746	233,736,861	260,773	786,547	2,097,662	248,997	68,058,436	317,562,021
Cost								
At 1 January 2022	10,253,300	170,030,777	140,079	624,349	2,097,662	142,350	103,460,505	286,749,022
Additions during the year	42,575	182,273	44,178	62,217	-	56,570	9,014,420	9,402,233
Transfer	2,039,868	14,172,992	-	-	-	-	(16,212,860)	-
At 31 December 2022	12,335,743	184,386,042	184,257	686,567	2,097,662	198,920	96,262,065	296,151,255
Accumulated depreciation								
At 1 January 2023	2,113,246	40,003,265	142,545	575,894	2,097,662	144,713	-	45,077,327
Depreciation charge for the year	261,493	8,709,573	19,981	29,476	-	32,336	-	9,052,858
At 31 December 2023	2,374,739	48,712,838	162,526	605,369	2,097,662	177,050	-	54,130,185
At 1 January 2022	1,846,970	33,535,576	100,711	524,024	1,999,613	111,698	-	38,118,592
Depreciation charge for the year	266,276	6,467,689	41,834	51,870	98,049	33,015	-	6,958,734
At 31 December 2022	2,113,246	40,003,265	142,545	575,894	2,097,662	144,713	-	45,077,326
Net book value								
At 31 December 2023	9,998,007	185,024,023	98,247	181,177	-	71,948	68,058,436	263,431,837
At 31 December 2022	10,222,497	144,382,776	41,712	110,673	-	54,206	96,262,065	251,073,929

As at year end, land accounted for N1.48 billion of the total land and buildings balance (2022: N1.48 billion) which is not depreciated

13 Property, plant and equipment (continued)

a *Analysis of depreciation charge on property, plant and equipment*

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
Recognised in cost of sales	6,164,631	3,855,671	6,164,631	3,710,296
Recognised in administrative expenses	3,236,022	3,320,438	2,888,227	3,248,438
	9,400,653	7,176,109	9,052,858	6,958,734

b Capital work in progress (CWIP) represents value of plant and machinery under construction at the Flour and Pasta plants. There were no capitalised borrowing costs in the year.

14 Leases

This note provides information for leases where the Group is a lessee.

a *Right-of-use assets*

	Group		Company	
Buildings	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Cost	N'000	N'000	N'000	N'000
Opening balance as at 1 January	3,136,394	3,136,394	123,036	123,036
Lease modification	(3,013,358)	-	-	-
Closing balance as at 31 December	123,036	3,136,394	123,036	123,036
Depreciation				
Opening balance as at 1 January	3,105,229	2,099,934	91,870	91,028
Lease modification	(3,013,359)	-	-	-
Charge for the year	842	1,005,295	842	842
Closing balance as at 31 December	92,712	3,105,229	92,712	91,870
Net book value	30,324	31,165	30,324	31,166

b *Lease liabilities*

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
Opening balance as at 1 January	37,751	4,326,052	37,751	37,776
Interest expense	5,044	272,648	5,044	923
Payments made during the year	(5,073)	(4,560,949)	(5,073)	(948)
Closing balance as at 31 December	37,722	37,751	37,722	37,751

The total cash flow for all leases in the year ended 31 December 2023 was N5 million (2022: N0.95 million)

Lease liabilities as at 31 December 2023 and 31 December 2022 are classified as follows:

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
Current lease liabilities (Note 3.1c)	5,073	5,073	5,073	5,073
Non-current lease liabilities (Note 3.1c)	32,650	32,678	32,650	32,678
	37,723	37,751	37,723	37,751

14 Leases (continued)

c *Amounts recognised in the statement of profit or loss*

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
Depreciation charge on right-of-use assets				
Recognised in cost of sales (Note 6)	842	1,005,295	842	842
	842	1,005,295	842	842
Interest expense on leases				
Recognised in finance costs (Note 11)	5,044	272,648	5,044	923

d The weighted average incremental borrowing rate of the lease liabilities as at 31 December 2023 and 31 December 2022 is 15%.

15 Inventories

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
Raw materials	78,069,685	20,616,459	69,213,978	13,428,164
Work-in-Progress	4,146,764	417,647	4,121,811	251,120
Finished products	6,923,838	4,349,809	6,139,379	2,408,948
Packing materials	1,499,700	1,314,222	1,009,198	1,168,574
Consumables and spare parts	1,339,059	339,354	920,751	202,334
	91,979,046	27,037,491	81,405,117	17,459,140
Goods in transit	20,297,595	2,723,103	-	1,725,328
	112,276,641	**29,760,594**	**81,405,117**	**19,184,468**

There was no provision for inventory during the year as no inventory item was impaired (2022: Nil). The value of inventory transferred to cost of sales for the year was N447.58 billion (2022: N260.18 billion).

No inventory has been pledged as security for any borrowings (2022: Nil).

16 Trade receivables and other assets

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Financial assets:	N'000	N'000	N'000	N'000
Trade receivables	1,656,095	538,346	1,656,095	534,601
Other debtors*	144,344,098	107,040,452	144,344,098	107,040,452
	146,000,193	107,578,798	146,000,193	107,575,053
Non-financial assets				
Advance payment to vendor	5,155,922	4,620,233	592,509	287,337
Withholding tax receivable	-	7,126,485	13,289,443	7,126,485
	5,155,922	11,746,718	13,881,952	7,413,822
	151,156,115	**119,325,516**	**159,882,145**	**114,988,875**

*Other debtors mainly includes cash deposits with banks for foreign currency bids.

16 Trade receivables and other assets (continued)

a Impairment of trade receivables

The reconciliation of loss allowance for trade receivables as at 31 December to the opening loss allowance on 1 January is as follows:

	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
Opening loss allowance as at 1 January	12,907	413,482	12,907	413,482
Increase/(Decrease) in loss allowance recognised in profit or loss during the year	178,844	(400,575)	178,843	(400,575)
At 31 December	191,751	12,907	191,751	12,907

b The gross carrying amount of trade receivables is shown below:

Net carrying amount – trade receivables	1,656,095	538,346	1,656,095	534,601
Add: loss allowance (Note 16a)	191,751	12,907	191,751	12,907
Gross carrying amount – trade receivables	1,847,846	551,253	1,847,846	547,508

17 Cash and balances with banks

	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
Cash in hand	4,245	25,981	4,245	21,768
Cash in bank	100,120,544	32,137,447	100,082,285	32,089,260
	100,124,789	**32,163,428**	**100,086,530**	**32,111,028**

For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand, cash at bank, and bank overdraft as analysed below:

	Group		Company	
	31 December 2023 N'000	31 December 2022 N'000	31 December 2023 N'000	31 December 2022 N'000
Cash and balances with banks	100,124,789	32,163,428	100,086,530	32,111,028
Bank overdrafts (Note 18c)	(573,175)	(4,490,873)	(573,175)	(4,490,873)
	99,551,614	**27,672,555**	**99,513,355**	**27,620,155**

18 Borrowings

a Borrowings comprises:

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Current	**N'000**	**N'000**	**N'000**	**N'000**
Short term import finance facilities	648,482,430	206,144,388	648,482,430	206,144,388
Bank borrowings - current	1,217,126	2,051,367	1,217,126	2,051,367
	649,699,556	208,195,755	649,699,556	208,195,755
Non-current				
Bank borrowings - non current	1,377,286	3,475,257	1,377,286	3,475,257
Total borrowings	**651,076,842**	**211,671,012**	**651,076,841**	**211,671,012**

Current bank borrowings relate to short term Import Finance Facilities (IFF) from several Nigerian banks with average maturity of 5 months. They also include bank borrowings repayable over the next 48 months.

18 Borrowings (continued)

Term loans as at year end include:

i) N10 billion obtained from Union Bank of Nigeria Plc for a period of 72 months with effect from 18 September 2018 (inclusive of 24 months moratorium).

ii) N6.26 billion obtained from Sterling Bank Nigeria Limited for a period of 98 months with effect from February 2019.

b Movement in borrowings is as follows:

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
At 1 January	211,671,012	246,048,981	211,671,012	246,048,981
Proceeds from loan drawdown	577,322,462	276,336,593	577,322,462	276,336,593
Government grant received (Note 20)	-	(303,935)	-	(303,935)
Interest charge expensed	18,562,117	7,206,426	11,588,362	6,696,357
Foreign exchange loss on translation of borrowings	81,864,676	-	-	-
Foreign exchange loss absorbed by related parties	-	-	81,864,676	
Repayment of principal	(219,880,819)	(310,410,627)	(219,880,819)	(310,410,627)
Interest paid	(18,462,605)	(7,206,426)	(11,488,851)	(6,696,357)
At 31 December	**651,076,842**	**211,671,012**	**651,076,842**	**211,671,012**

c Net debt comprises:

Cash and balances with banks	(100,124,789)	(32,163,428)	(100,086,530)	(32,111,028)
Borrowings - current	649,699,556	208,195,755	649,699,556	208,195,755
Borrowings - non-current	1,377,286	3,475,257	1,377,286	3,475,257
Borrowings - overdraft	573,175	4,490,873	573,175	4,490,873
Net debt	**551,525,227**	**183,998,456**	**551,563,486**	**184,050,856**

19 Trade and other payables

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Financial liabilities:	N'000	N'000	N'000	N'000
Trade payables	7,980,912	4,025,206	7,773,252	3,348,770
Accrued audit fees	138,000	109,205	138,000	109,205
Other payables and accrued expenses	1,422,440	4,027,766	1,416,272	2,850,094
Total financial liabilities	9,541,352	8,162,177	9,327,524	6,308,069
Non-financial liabilities:				
Value added tax payable	38,346,046	21,286,401	20,779,271	15,035,782
Withholding tax payable	1,177,512	7,265,556	882,688	139,071
Minimum tax payable	203,299	1,580,531	203,299	1,580,531
Other statutory obligations	207,768	30,435	207,768	30,435
Total non-financial liabilities	39,934,625	30,162,924	22,073,027	16,785,819
	49,475,977	**38,325,101**	**31,400,551**	**23,093,888**

All trade and other payables are due within 12 months after the statement of financial position date.

a The reconciliation of minimum tax payable is provided below:

Opening balance as at 1 January	1,580,531	516,409	1,580,531	516,409
Charge for the year to profit or loss (Note 12a)	10,640	1,580,531	10,640	1,580,531
Payment during the year	(1,387,872)	(516,409)	(1,387,872)	(516,409)
Closing balance as at 31 December	**203,299**	**1,580,531**	**203,299**	**1,580,531**

20 Government grants

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
Opening balance as at 1 January	255,300	-	255,300	-
Received during the year	-	303,935	-	303,935
Released to the statement of profit or loss (Note 10)	(115,208)	(48,635)	(115,208)	(48,635)
Closing balance as at 31 December	**140,092**	**255,300**	**140,092**	**255,300**
Current	69,882	48,635	69,882	48,635
Non-current	70,211	206,665	70,211	206,665
	140,092	**255,300**	**140,092**	**255,300**

The Group received a N6.26 billion loan at 9% from Central Bank of Nigeria through Sterling Bank (note 18). The loan was disbursed to finance agricultural backward integration projects such as rice mills, machinery acqusition and the purchase and storage of grains. The Government grant has been calculated as the difference between the market interest rate and the contractual interest rate of the loan received. There are no unfulfilled conditions or contingencies attached to the grant.

21 Share capital

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
Authorized:				
Balance as at 1 January and 31 December				
18,000,000,000 ordinary shares @ 50 kobo per share	9,000,000	9,000,000	9,000,000	9,000,000
Issued and fully paid:				
Balance as at 1 January and 31 December				
18,000,000,000 ordinary shares @ 50 kobo per share	9,000,000	9,000,000	9,000,000	9,000,000

There were no changes to authorised and issued share capital during the year ended 31 Decmber 2023 (2022: Nil).

21.1 Basic and diluted earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the end of the reporting year.

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Profit attributable to ordinary equity holders of the parent N'000	112,097,497	91,344,020	112,058,159	88,669,630
Weighted average number of ordinary shares in issue at year end	18,000,000	18,000,000	18,000,000	18,000,000
Basic earnings per share (Naira)				
At the end of the year	**6.23**	**5.07**	**6.23**	**4.93**

There were no potential dilutive shares to either year-ends. Hence basic and diluted earnings per share have the same value.

22 Cash (used in)/ generated from operating activities

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
Profit before tax	108,123,932	107,229,703	108,084,594	104,555,313
Adjustment for:				
Depreciation of property, plant and equipment (Note 13)	9,617,740	7,176,109	9,052,858	6,958,734
Depreciation of right-of-use assets (Note 14a)	842	1,005,295	842	842
Unrealised exchange losses	81,864,676	-	68,214,821	-
Finance income (Note 11)	(2,497,371)	(39,721)	(2,497,371)	(39,721)
Finance cost	18,562,117	7,206,426	11,588,362	6,696,357
Interest on lease liabilities (Note 14b)	5,044	272,648	5,044	923
Movements in government grants (Note 20)	(115,208)	(48,635)	(115,208)	(48,635)
Non-cash employee benefits expense – share-based payments (Note 7a)	-	1,898,645	-	1,898,645
Impairment write-back on financial assets	7,890,845	(2,376,501)	8,395,892	(2,376,501)
Minimum tax (Note 12a)	10,640	1,580,531	10,640	1,580,531
	223,463,256	123,904,499	202,740,474	119,226,488
Changes in working capital:				
Increase in inventories	(82,516,047)	(4,834,123)	(62,220,649)	(3,934,829)
Increase in trade receivables and other assets	(32,009,443)	(66,764,865)	(45,072,112)	(62,445,663)
(Increase)/ decrease in due from related parties (Note 24b)	(261,151,962)	117,458,432	(332,124,042)	(6,617,286)
Increase/ (decrease) in trade and other payables	12,528,111	(1,600,714)	9,683,895	(10,450,452)
Increase in contract liabilities	21,811,255	6,207,869	21,811,255	6,207,869
Increase in due to related parties (Note 24b)	(32,243,723)	(48,114,507)	32,427,926	73,094,348
Net cash (used in)/ generated from operations	**(150,118,552)**	**126,256,592**	**(172,753,252)**	**115,080,474**

23 Particulars of Directors and staff

a Particulars of staff

The average number of persons, excluding Directors, employed by the Company during the year is as follows:

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Number	Number	Number	Number
Production	320	449	238	265
Administration	398	227	251	166
	718	**676**	**489**	**431**

23 Particulars of Directors and staff (continued)

b The table below shows the number of employees of the Company in receipt of emoluments, including allowances and pension costs within the following bands during the year.

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Number	Number	Number	Number
N100,000 - N500,000	-	51	-	27
N500,000 - N1,000,000	32	72	2	9
N1,000,001 - N2,000,000	136	88	46	20
N2,000,001 - N3,000,000	113	97	80	62
N3,000,001 - N4,000,000	141	139	111	127
N4,000,001 - N5,000,000	70	98	61	84
N5,000,001 - N10,000,000	187	104	156	81
N10,000,001 - N15,000,000	19	11	16	8
N15,000,001 - N20,000,000	6	4	5	3
N20,000,001 - N30,000,000	7	6	7	6
N30,000,001 - N40,000,000	2	6	1	4
N40,000,001 - N50,000,001	1	-	-	-
ABOVE 50,000,000.00	4	-	4	-
	718	**676**	**489**	**431**

c Particulars of Directors

i Directors' emoluments

The remuneration paid to the Directors of the Group is as follows:

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
Emoluments paid to the Directors	223,031	93,561	223,031	93,561
The Chairman	46,563	28,600	46,563	28,600
Amount paid to the highest paid Director	79,360	58,481	79,360	58,481

23 Particulars of Directors and staff (continued)

c Particulars of Directors

The number of Directors of the Group (including the highest paid Director) whose remuneration, excluding pension contributions in respect of services to the Group fell within the following range:

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	Number	Number	Number	Number
20,000,001 - 40,000,000	1	7	1	7
40,000,001 - 60,000,000	6	2	6	2
60,000,001 - 80,000,000	1	-	1	-
	8	**9**	**8**	**9**

24 Related party transactions and balances

The majority shareholder of the Company, Alhaji Abdulsamad Rabiu CFR, CON, who is also the Chairman of the Board of Directors ('the Chairman'), is the ultimate owner of the Group.

The Group is owned by the Chairman. The Chairman has controlling interests in other companies which are considered to be related parties to the Group.

The Company's transactions and balances arising from dealings with related parties during the year are shown below:

a Transactions with related parties

(i) Management agreement

As consideration for the services provided by BUA International Limited, a sum equivalent to 2.83% of the net revenue from BUA Foods Plc for the year will be paid to BUA International Limited in line with the Management Service Agreement between both entities. During the year ended 31 December 2023, BUA International Limited waived 100% of the right to claim the management fee due to her from the Group while 50% of the rights was waived in the year ended 31 December 2022. The management fee included in the cost of sales for the year ended 31 December 2023 is Nil (2022: N5.91 billion).

(ii) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of the entity. The Group has identified its management team and the Directors as its key management personnel. The compensation paid or payable to key management for employee services is shown below:

	Group		Company	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	N'000	N'000	N'000	N'000
Salaries and other short-term employee benefits	489,493	275,652	412,616	242,992
Pension costs	30,349	18,377	25,582	16,423
Share-based payments	-	1,434,545	-	1,419,670
	519,842	1,728,574	438,198	1,679,085

b Outstanding balances with related parties

Below are the outstanding receivables from, and payables to related parties. These balances are not as a result of trade transactions but relate to settlement of liabilities on behalf of the Company or by the Company on behalf of other entities. There are no existing terms and conditions on these balances.

		Group		Company	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
(i) Due from related parties	**Relationship**	**N'000**	**N'000**	**N'000**	**N'000**
Due from BUA International Limited	Shareholder/ Sister company	362,503,619	82,820,574	575,855,649	223,437,879
LASUCO Sugar Company Limited	Subsidiary	-	-	20,727,771	8,840,561
Director's current account	Director	387,670	18,918,752	-	18,531,082
Impairment of receivables from related parties		(14,031,158)	(6,319,157)	(14,536,206)	(6,319,157)
		348,860,131	95,420,170	582,047,214	244,490,366

* Directors current account relates to drawings by the Chairman. There are no interests on amounts drawn.

24 Related party transactions and balances (continued)

(ii) Due to related parties	Relationship	Group 31 December 2023 N'000	Group 31 December 2022 N'000	Company 31 December 2023 N'000	Company 31 December 2022 N'000
BUA Sugar Refinery FZE	Subsidiary	-	-	137,765,997	73,094,348
		-	-	137,765,997	73,094,348

The related party amounts for each entity have been offset and the net amount has been reported in the statement of financial position as the Group has a legally enforceable right to offset the recognised amounts, and the amounts will be settled on a net basis or simultaneously. The below table presents the recognised due from related parties and due to related parties that are offset in the statement of financial position as at 31 December 2023 and 31 December 2022:

	Group 31 December 2023	Group 31 December 2022	Company 31 December 2023	Company 31 December 2022
Gross amounts before impairment	**N'000**	**N'000**	**N'000**	**N'000**
BUA International Limited				
Due from	398,468,719	298,186,118	611,820,749	314,196,980
Due to	(35,965,100)	(215,365,544)	(35,965,100)	(90,759,101)
Net amount due from BUA International Limited	362,503,619	82,820,574	575,855,649	223,437,879
BUA Sugar FZE				
Due from	-	-	40,604,908	-
Due to	-	-	(178,370,905)	-
Net amount due to BUA Sugar FZE	-	-	(137,765,997)	-

(iii) Deposit for shares	Group 31 December 2023 N'000	Group 31 December 2022 N'000	Company 31 December 2023 N'000	Company 31 December 2022 N'000
Deposit for shares	-	32,243,723	-	32,243,723

This relates to funds received from the ultimate shareholder as a deposit for additional shares which were still not issued as at the reporting date and have been reclassified to amounts due to related parties.

c Impairment of amounts due from related parties

The loss allowance on amounts due from related parties as at 1 January and to the closing loss allowance as at 31 December for each year is as follows:

	Group 31 December 2023 N'000	Group 31 December 2022 N'000	Company 31 December 2023 N'000	Company 31 December 2022 N'000
As at 1 January	6,319,157	8,295,083	6,319,157	8,295,083
Impairment loss/(reversal) for the year	7,712,001	(1,975,926)	8,217,049	(1,975,926)
At 31 December	14,031,158	6,319,157	14,536,206	6,319,157
The net carrying amount of due from related parties is shown below:				
Gross carrying amount - due from related parties (Note 24)(i)	362,891,289	101,739,327	596,583,420	250,809,523
Less: loss allowance	(14,031,158)	(6,319,157)	(14,536,206)	(6,319,157)
Due from related parties net of loss allowance	348,860,131	95,420,170	582,047,214	244,490,366

25 Investment in subsidiaries

The following table lists the entities which are controlled by the Group:

Subsidiary	Incorporation/ Registration details	Principal place of business	% interest	Carrying value 31 December 2023 N'000	Carrying value 31 December 2022 N'000
BUA Sugar Refinery FZE	Registered at the Bundu Free Zone on 2 June 2020	26, Azikiwe Road, Bundu Free Zone, Port Harcourt, Rivers State.	100%	387,670	387,670
LASUCO Sugar Company Limited	Registered at the CAC on 7 September 2016	Lafiagi, Edu Local Government Area, Kwara State.	100%	20,000	20,000
				407,670	407,670

26 Segment reporting

The Group examines performance from a product perspective and has identified four operating segment in its business:

i. **Flour segment:** This part of the business is involved in the sale of flour products.

ii. **Sugar segment:** This part of the business is involved in refining of imported and locally sourced raw sugar as well as sale of refined sugar

iii. **Pasta segment:** This segment is involved in the sale of pasta products.

iii. **Others:** This segment is involved in the production and sale of rice, and edible oils amongst others. The results of these operations are included in the 'others' column.

	Group 31 December 2023 N'000	Group 31 December 2022 N'000
Segment profit disclosures		
Flour	(8,959,840)	3,361,397
Sugar	77,177,785	64,556,370
Pasta	31,272,022	17,353,343
Others	12,607,529	6,072,907
Total profit after tax	112,097,497	91,344,017

31 December 2023	Flour N'000	Sugar N'000	Pasta N'000	Others N'000	Total N'000
Revenue	200,176,863	421,910,833	87,757,455	19,598,205	729,443,355
Cost of sales less depreciation	(146,831,633)	(264,617,625)	(49,659,178)	(1,878,760)	(462,987,196)
General and adminstrative expense less depreciation	(56,708,918)	(62,873,041)	(5,760,206)	(179,531)	(125,521,696)
Operating profit before depreciation and impairment	(3,363,689)	94,420,167	32,338,071	17,539,914	140,934,463

31 December 2023	Flour N'000	Sugar N'000	Pasta N'000	Others N'000	Total N'000
Depreciation	(4,667,467)	(2,566,617)	(1,662,626)	(504,785)	(9,401,495)
Impairment	-	(7,890,845)	-	-	(7,890,845)
Other gains	9,464	62,276	590,893	146,689	809,322
Operating (loss)/ profit	(8,021,692)	84,024,981	31,266,338	17,181,818	124,451,445
Finance income	-	2,497,371	-	-	2,497,371
Finance cost	(1,602,720)	(16,846,446)	(3,736)	(361,341)	(18,814,243)
Minimum tax	-	-	-	(10,640)	(10,640)
Income tax charge	664,572	7,501,880	9,420	(4,202,307)	3,973,565
Segment's (loss)/ profit	(8,959,840)	77,177,785	31,272,022	12,607,529	112,097,497
Total comprehensive (loss)/ income	(8,959,840)	77,177,785	31,272,022	12,607,529	112,097,497

Segment profit disclosures (continued)

31 December 2022	**Flour**	**Sugar**	**Pasta**	**Others**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Revenue	79,687,571	274,407,443	57,247,363	7,005,393	418,347,769
Cost of sales less depreciation	(67,749,933)	(178,515,289)	(33,937,008)	-	(280,202,230)
General and adminstrative expense less depreciation	(5,072,034)	(21,371,543)	(3,510,747)	(136,680)	(30,091,003)
Operating profit before depreciation and impairment	6,865,604	74,520,611	19,799,609	6,868,713	108,054,537

31 December 2022	**Flour**	**Sugar**	**Pasta**	**Others**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Depreciation	(2,212,145)	(3,762,749)	(1,659,485)	(547,028)	(8,181,407)
Impairment	-	2,376,501	-	-	-
Other gains	141,883	15,051,479	662	48,635	15,242,660
Operating profit	4,795,342	88,185,843	18,140,786	6,370,320	115,115,790
Finance income	-	39,721	-	-	39,721
Finance cost	(687,247)	(7,733,383)	(3,739)	(297,413)	(8,721,782)
Minimum tax	(430,459)	(863,832)	(286,240)	-	(1,580,531)
Income tax charge	(316,239)	(15,071,979)	(497,464)	-	(15,885,683)
Segment's profit	3,361,397	64,556,370	17,353,343	6,072,907	91,344,016
Total comprehensive income	3,361,397	64,556,370	17,353,343	6,072,907	91,344,016

Segment total assets disclosures

Segment assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the reporting segment and the physical location of the asset. The Group had no non-current assets domiciled outside Nigeria.

	Group	
	31 December 2023	**31 December 2022**
	N'000	**N'000**
Flour	260,243,675	129,945,775
Sugar	1,415,534,761	875,491,588
Pasta	155,764,952	85,598,571
Others	17,565,937	16,514,104
Total segment's assets	1,849,109,325	1,107,550,039
Intersegment elimination		
Intercompany balances	(778,669,463)	(500,325,415)
Total assets	1,070,439,862	607,224,624

Segment total liabilities disclosures

Segment liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

	Group	
	31 December 2023	**31 December 2022**
	N'000	**N'000**
Flour	231,987,456	100,813,118
Sugar	1,237,639,950	717,221,292
Pasta	94,898,838	40,900,719
Others	23,567,984	17,653,575
Total segment's liabilities	1,588,094,228	876,588,704
Intersegment elimination		
Intercompany balances	(779,713,199)	(500,325,415)
Total liabilities	808,381,029	376,263,289

Impairment losses by reportable segments

Impairment losses are measured in a manner consistent with that of the financial statements. These impairments are allocated based on the operations of the segment.

26 Segment reporting (continued)
Impairment losses by reportable segments (continued)

31 December 2023	**Flour N'000**	**Sugar N'000**	**Pasta N'000**	**Others N'000**	**Total N'000**
At start of the year	-	12,907	-	-	12,907
Provision during the year	-	178,844	-	-	178,844
At the end of the year	-	191,751	-	-	191,751

31 December 2022	**Flour N'000**	**Sugar N'000**	**Pasta N'000**	**Others N'000**	**Total N'000**
At start of the year	-	413,482	-	-	413,482
Provision during the year	-	(400,575)	-	-	(400,575)
At the end of the year	-	12,907	-	-	12,907

Disaggregation of revenue from customers
The Group derives revenue from the transfer of goods or services at a point in time.

31 December 2023	**Flour N'000**	**Sugar N'000**	**Pasta N'000**	**Others N'000**	**Total N'000**
Point in time	200,176,863	421,910,833	87,757,455	19,598,205	729,443,355
Over time	-	-	-	-	-
Total revenue	200,176,863	421,910,833	87,757,455	19,598,205	729,443,355

31 December 2022	**Flour N'000**	**Sugar N'000**	**Pasta N'000**	**Others N'000**	**Total N'000**
Point in time	79,687,571	274,407,443	57,247,363	7,005,393	418,347,769
Over time	-	-	-	-	-
Total revenue	79,687,571	274,407,443	57,247,363	7,005,393	418,347,769

27 Contingent liabilities

There are 5 law suits pending against the Group in the court of law (2022: 10 law suits), which are being handled by legal counsel. There were legal claims of N294.8 million (2022: N729.15 million) against BUA Foods Plc for which the law suits have not been concluded as at year end. In the opinion of the Directors and based on independent legal advise, no material losses are expected to arise from these claims, hence no provison has been made in these financial statements (31 December 2022: Nil).

28 Subsequent events

There were no significant events after the reporting period which could have a material effect on the state of affairs of the Group as at 31 December 2023 and on the profit for the year ended on that date which have not been adequately provided for or disclosed in these financial statements.

29 Comparatives

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

BUA FOODS PLC

RC:621320

Other National Disclosures

Statement of value added
For the year ended 31 December 2023

Group	2023 N'000	%	2022 N'000	%
Revenue	729,443,355		418,347,770	
Finance income	2,497,371		39,721	
Other income	809,325		15,242,660	
	732,750,051		433,630,151	
Less: Bought in materials and services:				
Local	(215,537,632)		(136,089,400)	
Imported	(293,234,923)		(167,314,578)	
VALUE ADDED	**223,977,496**	**100**	**130,226,173**	**100**
APPLIED AS FOLLOWS:				
TO PAY EMPLOYEES:				
Salaries, wages and other benefits	5,556,270	2	6,093,285	5
TO PAY PROVIDERS OF FUNDS:				
Finance cost	100,678,918	45	8,721,781	7
TO PAY GOVERNMENT:				
Income taxes	(3,973,565)	(2)	15,885,683	12
TO PROVIDE FOR REPLACEMENT OF ASSETS AND FUTURE GROWTH:				
Depreciation of property, plant and equipment	9,617,533	4	7,176,109	6
Depreciation of right-of-use assets	842	0	1,005,295	1
Retained profit	112,097,497	50	91,344,020	70
VALUE ADDED	**223,977,496**	**100**	**130,226,173**	**100**

Company	2022 N'000	%	2022 N'000	%
Revenue	490,118,669		300,877,115	
Finance income	2,497,371		39,721	
Other income	66,868,384		57,502,799	
	559,484,424		358,419,635	
Less: Bought in materials and services:				
Local	(250,801,089)		(50,984,880)	
Imported	(107,486,181)		(183,077,924)	
VALUE ADDED	**201,197,154**	**100**	**124,356,831**	**100**
APPLIED AS FOLLOWS:				
TO PAY EMPLOYEES:				
Salaries, wages and other benefits	4,003,551	1.989865	4,901,953	3.942
TO PAY PROVIDERS OF FUNDS:				
Finance cost	80,055,309	40	7,939,988	6
TO PAY GOVERNMENT:				
Income taxes	(3,973,565)	(2)	15,885,683	13
TO PROVIDE FOR REPLACEMENT OF ASSETS AND FUTURE GROWTH:				
Depreciation of property, plant and equipment	9,052,858	4	6,958,734	6
Depreciation of right-of-use assets	842	-	842	-
Retained profit	112,058,159	56	88,669,630	71
VALUE ADDED	**201,197,154**	**100**	**124,356,831**	**100**

Value added represents the additional wealth created through the effort of the Group and its employees. The Statement shows the allocation of that wealth to employees, providers of fund, shareholders, government and the amount retained for the future creation of wealth.

Statement of financial position

	Group				Company				
	31 December 2023 N'000	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2023 N'000	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000
Assets employed									
Non-current assets	358,022,186	330,554,917	323,256,014	224,378,972	263,869,831	251,512,765	249,070,108	152,941,822	94,656,996
Current assets	712,417,676	276,669,708	270,213,501	149,940,711	923,421,006	410,774,737	333,603,790	216,291,320	164,250,992
Non-current liabilities	(23,786,893)	(69,735,266)	(52,392,390)	(52,717,936)	(23,786,893)	(69,735,266)	(52,392,390)	(49,949,661)	(35,223,132)
Current liabilities	(784,594,135)	(306,528,022)	(340,358,452)	(190,651,159)	(904,284,706)	(364,391,157)	(329,688,704)	(189,337,560)	(127,207,496)
Net assets	262,058,834	230,961,337	200,718,673	130,950,588	259,219,238	228,161,079	200,592,804	129,945,921	96,477,360
Capital employed									
Ordinary share capital	9,000,000	9,000,000	9,000,000	29,538	9,000,000	9,000,000	9,000,000	29,538	20,000
Reorganisation reserves	(943,228)	(943,228)	(943,228)	(943,228)	391,961	391,961	391,961	391,961	-
Retained earnings	254,002,062	222,904,565	192,661,901	131,864,278	249,827,277	218,769,118	191,200,843	129,524,422	96,457,360
Total equity	262,058,834	230,961,337	200,718,673	130,950,588	259,219,238	228,161,079	200,592,804	129,945,921	96,477,360

Statement of profit or loss and other comprehensive income

	Group				Company				
	31 December 2023 N'000	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2023 N'000	31 December 2022 N'000	31 December 2021 N'000	31 December 2020 N'000	31 December 2019 N'000
Revenue	729,443,355	418,347,770	333,272,234	192,860,037	490,118,669	300,877,115	230,517,695	177,683,946	83,689,564
Profit before tax	108,123,932	107,229,703	77,468,721	47,249,188	108,084,594	104,555,313	78,347,519	53,696,160	10,667,837
Income tax expense	3,973,565	(15,885,683)	(7,700,636)	(11,842,270)	3,973,565	(15,885,683)	(7,700,636)	(11,842,270)	(1,615,163)
Profit after tax	112,097,497	91,344,020	69,768,085	35,406,918	112,058,159	88,669,630	70,646,883	41,853,890	9,052,674
Total comprehensive income	112,097,497	91,344,020	69,768,085	35,406,918	112,058,159	88,669,630	70,646,883	41,853,890	9,052,674
Per share data									
(Naira)	6.23	5.07	4.24	1.97	6.23	4.93	4.29	2.33	0.50
(Naira)	14.56	12.83	12.18	7.29	14.40	12.68	12.18	7.23	5.37

Earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding at the end of the reporting period.

Net assets per share is calculated by dividing net assets of the Company by the weighted average number of ordinary shares outstanding at the end of the reporting period.