Berger Paints Nigeria Plc

Unaudited Consolidated and Separate Financial Statements

For the Fourth Quarter ended 31 December, 2024

Contents

Corporate Information

Board of Directors:	Abi Ayida	-	Chairman
	Adekunle Olowokande	-	Non - Executive Director
	Raj Mangtani (Indian)	-	Non - Executive Director
	Ogechi Iheanacho	-	Non - Executive Director
	Erejuwa Gbadebo	-	Independent Non - Executive Director
	Aisha Umar	-	Independent Non - Executive Director
	Alaba Fagun	-	Group Managing Director

Company Secretary/Legal Adviser
Omolara Bello

Registered Office:
102, Oba Akran Avenue,
Ikeja, Industrial Estate
P.M.B. 21052, Ikeja, Lagos.

Contact Details
Mobile: +234 810 216 4586
Email: customercare@bergerpaintnig.com
Website: www.bergerpaintsnig.com

Social Media Accounts
Facebook: www.facebook.com/BergerPaintsNigeriaPlc
LinkedIn: www.linkedin.com/company/berger-paints-nigeria-
Twitter: www.twitter.com/BergerPaintsNg
Instagram: www.instagram.com/bergerpaintsnigeriaplc
You Tube: www.youtube.com/channel/UCD_T-Wid299NWbfHxA4rGXg

Investors Relation
Berger Paints Nigeria Plc. has a dedicated investors' portal on its corporate website which can be accessed via this link:
https://bergerpaintsnig.com/investor/
The Company's Investors' Relations Officer can also be reached through electronic mail at: investors@bergerpaintnig.com; or telephone on: +234 9037757191 for any investment related enquiry.

NSE Trading Information

Trading Name:	Berger Paints Nig. Plc. (Berger)
Ticker Symbol:	Berger
Sector:	Industrial Goods
Sub Sector:	Building Materials
Market Classification:	Main Board

Registration Number:
RC: 1837

TIN
01335257-0001

FRC Registration Number:
FRC/2012/0000000000295

Registrars:
Meristem Registrars Limited
213, Herbert Macaulay Way, Adekunle, Yaba, Lagos.
P.O. Box 51585, Falomo, Ikoyi, Lagos
Tel: 8920491, 8920492, 01-2809250-3
Email: info@meristemregistrars.com
Website: www.meristemregistrars.com

Independent Auditor:
PKF Professional Services
205A Ikorodu - Ososun Road
Obanikoro
Lagos
Tel: +234 903 000 1351

Bankers:

Access Bank Plc	Keystone Bank Limited
Ecobank Nigeria Limited	Polaris Bank Limited
Fidelity Bank Plc	Union Bank of Nigeria Plc
First Bank of Nigeria Limited	United Bank for Africa Plc
First City Monument Bank Limited	Wema Bank Plc
Guaranty Trust Bank Plc	Zenith Bank Plc
Sterling Bank Plc	

Shareholding Structure and Free Float Status

Company Name:	Berger Paint Nigeria PLC
Board Listed:	Main Board
year End:	31 December
Reporting Period:	31-Dec-24
Share Price at end of reporting period:	N20 (31 December 2023: N13)

Description	31 December 2024		31 December 2023	
	Unit	**Percentage**	**Unit**	**Percentage**
Issued Share Capital	289,823,447	100.00	289,823,447	100.00
Substantial Shareholdings (5% and above):				
JUREWA INVESTMENTS LIMITED	17,670,573	6.10	16,685,111	5.76
HARMONY TRUST & INVT. CO LTD.	20,000,000	6.90	20,000,000	6.90
ALEMAJE AND COMPANY LIMITED	16,315,506	5.63	16,315,506	5.63
CAB (OVERSEAS HOLDINGS) LIMITED	16,315,506	5.63	16,315,506	5.63
MIKEADE INVESTMENTS LIMITED	19,196,095	6.62	19,196,095	6.62
Total Substantial Shareholdings	**89,497,680**	**30.88**	**88,512,218**	**30.54**
Directors Shareholdings (Direct & Indirect, excluding Directors with Substantial Interests				
MR. ABI AYIDA	625,601	0.22	625,601	0.22
MR. RAJ MANGTANI	-	-	-	-
MR. ADEKUNLE OLUROTIMI OLOWOKANDE	197,965	0.07	197,965	0.07
MRS. OGECHI IHEANACHO	100,000	0.03	100,000	0.03
MRS. EREJUWA GBADEBO	-	-	-	-
MRS. AISHA UMAR	-	-	-	-
Total Directors' Shareholdings	**923,566**	**0.32**	**923,566**	**0.32**
FREE FLOAT IN UNITS & PERCENTAGE	**199,402,201**	**68.80**	**200,387,663**	**69.14**
FREE FLOAT IN VALUE (₦)	**3,988,044,020**		**2,605,039,619**	

Declaration: Berger Paints PLC with a free float value of N3,988,044,020 (68.80%) as at 31 December, 2024 (31 December 2023: N2,605,039,619(69.14%) is compliant with the Nigerian Exchange's free float requirements for companies listed on the Main Board.

Omolara Bello
Company Secretary/ Legal Adviser
FRC/2019/NBA/00000019782

Company Financial Highlights
In thousands of naira

	GROUP 12 Mths to 31 Dec 2024	GROUP 12 Mths to 31 Dec 2023	%	COMPANY 12 Mths to 31 Dec 2024	COMPANY 12 Mths to 31 Dec 2023	%
Revenue	10,831,911	7,967,546	36	10,739,501	7,910,181	36
Gross profit	3,960,768	2,708,169	46	3,936,515	2,696,120	46
Operating profit	955,943	751,277	27	960,025	774,743	24
Profit before taxation	914,774	776,316	18	918,856	799,783	15
Profit for the period	622,046	445,330	40	624,822	468,797	33
Share capital	144,912	144,912	-	144,912	144,912	-
Total equity	3,840,157	3,507,934	9	3,840,157	3,531,399	9
Data per 50k share						
Basic earnings per share (kobo)	215	154	40	216	162	33
Net assets per share (Naira)	13	12	10	13	12	10
Market price per share as at period end (Naira)	20	13	54	20	13	54
Market capitalization as at period end	5,796,480	3,767,712	54	5,796,480	3,767,712	54

Unaudited Separate and Consolidated Statement of Financial Position

As at 31st December, 2024

In thousands of naira		GROUP 31 Dec 2024	GROUP 31 Dec 2023	COMPANY 31 Dec 2024	COMPANY 31 Dec 2023
Assets	**Notes**				
Property, plant and equipment	13(a)	2,611,774	2,532,653	2,600,288	2,518,366
Intangible assets	14	40,715	17,602	40,715	17,602
Tax assets	11(c)(ii)	58,066	-	58,066	0
Investment property	15	321,211	341,514	321,211	341,514
Investment in Subsidiary		-	-	20,000	20,000
Total non-current assets		3,031,766	2,891,769	3,040,280	2,897,482
Inventories	16	3,411,562	2,148,260	3,411,562	2,148,260
Trade and other receivables	17(a)	261,686	297,129	292,109	310,035
Deposit for imports	18	-	46,601	0	46,601
Prepayments and advances	19	199,897	153,433	199,897	153,433
Other financial assets	21	446,983	257,122	446,983	257,122
Cash and cash equivalents	20	238,264	802,287	212,755	798,037
Total current assets		4,558,392	3,704,832	4,563,306	3,713,488
Total assets		**7,590,158**	**6,596,601**	**7,603,587**	**6,610,970**
Equity					
Share capital	22(a)	144,912	144,912	144,912	144,912
Share premium	22(b)	635,074	635,074	635,074	635,074
Retained earnings		3,060,171	2,727,948	3,086,414	2,751,415
Total equity		3,840,157	3,507,934	3,866,400	3,531,401
Liabilities					
Loans and borrowings	25	272,621	322,815	272,621	322,815
Deferred income	24	151,788	166,138	151,788	166,138
Deferred taxation	11(e)	533,748	533,748	533,748	533,748
Total non-current liabilities		958,157	1,022,701	958,157	1,022,701
Loans and borrowings	25	21,240	22,403	21,240	22,403
Current tax liabilities	11(c)	343,594	184,330	344,448	184,330
Trade and other payables	23	2,006,186	1,418,884	1,992,517	1,409,786
Deferred income	24	58,068	58,068	58,068	58,068
Dividend payable	27	362,757	382,281	362,757	382,281
Total current liabilities		2,791,845	2,065,966	2,779,030	2,056,868
Total liabilities		3,750,002	3,088,667	3,737,187	3,079,569
Total equity and liabilities		**7,590,158**	**6,596,601**	**7,603,587**	**6,610,970**

These financial statements were approved by the Board of Directors on 28 Janauary, 2025 and signed on its behalf by:

Abi Ayida (FRC/2019/IODN/00000019260)
Chairman

Alaba Fagun (FRC/2023/PRO/DIR/003/234540)
Director

Additionally certified by:

Nkechi Ojeyokan (FRC/2021 /001/00000022533)
Chief Finance Officer

The significant accounting policies and accompanying notes form an integral part of these financial statements.

Unaudited Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income

As at 31 December, 2024

		QUARTER TO DATE				YEAR TO DATE			
		GROUP	GROUP	COMPANY	COMPANY	GROUP	GROUP	COMPANY	COMPANY
In thousands of naira	**Notes**	**3 Mths to 31 Dec 2024**	**3 Mths to 31 Dec 2023**	**3 Mths to 31 Dec 2024**	**3 Mths to 31 Dec 2023**	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**
Revenue	5	3,255,328	2,509,246	3,236,998	2,493,401	10,831,911	7,967,546	10,739,501	7,910,181
Cost of sales	9(a)	(1,689,918)	(1,736,368)	(1,671,214)	(1,613,706)	(6,871,143)	(5,259,377)	(6,802,986)	(5,214,061)
Gross profit		**1,565,410**	**772,878**	**1,565,784**	**879,695**	**3,960,768**	**2,708,169**	**3,936,515**	**2,696,120**
Other income	6	60,028	187,164	59,668	22,915	119,381	83,985	119,021	83,985
Selling and distribution expenses	9(a)	(256,546)	(249,013)	(255,868)	(284,375)	(703,733)	(526,991)	(703,001)	(525,909)
Administrative expenses	9(a)	(777,659)	(421,718)	(769,384)	(471,526)	(2,416,493)	(1,558,452)	(2,388,530)	(1,524,018)
Operating profit before impairment charges		**591,233**	**289,311**	**600,200**	**146,709**	**959,923**	**706,711**	**964,005**	**730,178**
Impairment loss on trade receivables	8	(3,980)	44,566	(3,980)	44,566	(3,980)	44,566	(3,980)	44,566
Operating profit		**587,253**	**333,877**	**596,220**	**191,275**	**955,943**	**751,277**	**960,025**	**774,743**
Finance income	7	432	(91,227)	432	49,239	10,326	53,458	10,326	53,458
Finance costs	7	(13,031)	(14,065)	(13,031)	(25,743)	(51,495)	(28,419)	(51,495)	(28,419)
Net finance income		**(12,599)**	**(105,292)**	**(12,599)**	**23,496**	**(41,169)**	**25,039**	**(41,169)**	**25,039**
Profit before minimum tax		**574,654**	**228,585**	**583,621**	**214,771**	**914,774**	**776,316**	**918,856**	**799,783**
Profit before income tax	8	**574,654**	**228,585**	**583,621**	**214,771**	**914,774**	**776,316**	**918,856**	**799,783**
Income tax expense	11(a)	(183,889)	(58,886)	(186,759)	(54,466)	(292,728)	(330,986)	(294,034)	(330,986)
Profit for the period		**390,764**	**169,699**	**396,862**	**160,305**	**622,046**	**445,330**	**624,822**	**468,797**
Other comprehensive income									
Other comprehensive income for the period				-	-			-	-
Total comprehensive income for the period		**390,764**	**169,699**	**396,862**	**160,305**	**622,046**	**445,330**	**624,822**	**468,797**
Earnings per share:									
Basic and diluted earnings per share (kobo	12	135	59	137	55	215	154	216	162

Consolidated Statement of Changes in Equity

As at 31 December, 2024

In thousands of naira

	Note	Share capital	Share premium	Retained earnings	Total equity
GROUP					
Balance at 1 January 2024		**144,912**	**635,074**	**2,727,948**	**3,507,934**
Comprehensive income for the period					
Profit for the period		-	-	622,046	622,046
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	622,046	622,046
Transactions with owners, recorded directly in equity					
Dividend		-	-	(289,823)	(289,823)
Total transactions with owners		-	-	(289,823)	(289,823)
Balance at 31 December, 2024		**144,912**	**635,074**	**3,060,171**	**3,840,157**
GROUP					
Balance at 1 January 2023		**144,912**	**635,074**	**2,543,459**	**3,323,445**
Comprehensive income for the period					
Profit for the period		-	-	445,330	445,330
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	445,330	445,330
Transactions with owners, recorded directly in equity					
Dividend		-	-	(260,841)	(260,841)
Total transactions with owners		-	-	(260,841)	(260,841)
Balance at 31 December, 2023		**144,912**	**635,074**	**2,727,948**	**3,507,934**
COMPANY					
Balance at 1 January 2024		**144,912**	**635,074**	**2,751,415**	**3,531,401**
Comprehensive income for the period					
Profit for the period		-	-	624,822	624,822
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	624,822	624,822
Transactions with owners, recorded directly in equity					
Dividend	27	-	-	(289,823)	(289,823)
Total transactions with owners		-	-	(289,823)	(289,823)
Balance at 31 December 2024		**144,912**	**635,074**	**3,086,414**	**3,866,400**
COMPANY					
Balance at 1 January 2023		**144,912**	**635,074**	**2,543,459**	**3,323,445**
Comprehensive income for the period					
Profit for the period		-	-	468,797	468,797
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	-	468,797	468,797
Transactions with owners, recorded directly in equity					
Dividend	27	-	-	(260,841)	(260,841)
Total transactions with owners		-	-	(260,841)	(260,841)
Balance at 31 December 2023		**144,912**	**635,074**	**2,751,416**	**3,531,401**

Unaudited Consolidated and Separate Statement of Cash Flows

As at 31 December, 2024

In thousands of naira

	Note	2024 GROUP 12 Mths to 31 Dec 2024	GROUP 12 Mths to 31 Dec 2023	COMPANY 12 Mths to 31 Dec 2024	COMPANY 31 Dec 2023
Cash flows from operating activities					
Profit for the period		622,046	445,330	624,822	468,797
Adjustments for:					
- Depreciation	9(b)	228,410	226,046	225,642	224,352
- Transfer of Property, plant and equipment					11,260
- Amortisation	14	10,749	10,877	10,749	10,877
- Finance income	7	(4,758)	(53,458)	(4,758)	(53,458)
- Writeback/(impairment loss) on trade receivables		(3,980)	44,566	(3,980)	44,566
- Finance cost	7	51,495	28,419	51,495	28,419
- Gain on sale of property, plant and equipment	8	(6,000)	(18,514)	(6,000)	(18,514)
- Taxation	11(a)	292,728	330,986	294,034	330,986
		1,190,690	1,014,252	1,192,004	1,047,285
Changes in:					
- Inventories		(1,263,302)	(781,473)	(1,263,302)	(781,473)
- Trade and other receivables	17(c)	24,424	(98,344)	16,286	(111,250)
- Deposit for imports		46,601	41,324	46,601	41,324
- Prepayments and advances	19(a)	(104,530)	(88,410)	(104,530)	(88,410)
- Trade and other payables	23(c)	578,015	192,411	582,731	183,312
- Deferred income		(14,350)	132,165	(14,350)	132,165
Cash generated from operating activities		457,549	411,925	455,440	422,953
WHT credit notes utilised	11(c)	(53,522)		(53,522)	-
Tax paid	11(c)	(80,394)	(14,759)	(80,394)	(14,759)
Net cash generated from operating activities		323,632	397,166	321,524	408,195
Cash flows from investing activities					
Purchase of property plant and equipment	13(g)	(287,211)	(288,808)	(287,211)	(284,088)
Acquisition of Intangible assets		(33,862)	(652)	(33,862)	(652)
Proceeds from sale of property, plant and equipment		6,000	20,348	6,000	20,348
Interest income on other financial assets	7	10,326	30	10,326	30
Additions to investment in financial assets	22	(189,861)	-	(189,861)	0
Proceed from liquidation of investment			143,171		143,171
Investment in Subsidiary		-	-	0	(20,000)
Net cash used in investing activities		(494,608)	(125,911)	(494,608)	(141,191)
Cash flows from financing activities					
Additions to loans and borrowings	25(b)	816	345,604	(38,308)	345,604
Repayment of borrowings	26(b)	(33,020)	(25,131)	(13,049)	(25,131)
Interest paid		(51,495)	(15,923)	(51,495)	(15,923)
Dividend paid	27	(309,347)	(269,356)	(309,347)	(269,356)
Net cash used in financing activities		(393,046)	35,194	(412,199)	35,195
Net decrease in cash and cash equivalents		(564,021)	306,449	(585,282)	302,198
Cash and cash equivalents at 1 January		802,285	495,838	798,037	495,838
Cash and cash equivalents at 31 **December 2024**	20	238,264	802,287	212,755	798,036

Notes to the Consolidated and Separate financial statements
As at 31 December, 2024

Notes to the Consolidated and Separate financial statements
As at 31 December, 2024

1 Reporting Entity

Berger Paints Nigeria Plc ("the Company") was incorporated in Nigeria as a private limited liability company in 1959 and was converted to a public liability company in 1973. Its registered office address is at 102, Oba Akran Avenue, Ikeja Industrial Estate, Ikeja, Lagos. The Company is listed on the Nigerian Exchange.

The principal activities of the Company continues to be the manufacturing, sale and distribution of paints and allied products throughout the country and rent of investment property.

2 Basis of Preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004 and the Financial Reporting Council of Nigeria Act, 2011. The Unaudited consolidated and seperate financial statements were authorised for issue by the Board of Directors on 28 January, 2025.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:
-Non-derivative financial instruments initially measured at fair value and subsequently measured at amortised cost.
-Government grant (recognised as deferred income) measured at fair value.

- Inventories: Lower of cost and net realisable value.

The methods used to measure fair value are further disclosed in Note 2(e).

(c) Functional and presentation currency

These financial statements are presented in Naira, which is the Company’s functional currency. All financial information presented in Naira has been rounded to the nearest thousand except where otherwise indicated.

(d) Use of estimates and judgment

In the preparation of these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policy and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

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

Information about critical judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Note 4(Q) and 31	leases: whether an arrangement contains a lease
Note 4(D),(F),14 and 16	determination of the useful life of leasehold land
Note 4(L) and 5	revenue recognition and measurement of revenue from rendering of painting services

Information about assumptions and estimation uncertainties that have most significant effects on amounts recognised in the financial statements is included in the following notes;

Note 2(e) and 30(a)	determination of fair values
Note 4(G) and 30(b)	impairment of financial assets: Expected credit loss and forward looking information
Note 12	uncertainty over income taxes: transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.
Note 26 (a)	determination of cashflows repayments in respect of the investment property development financing arrangement.
Note 33	recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(e) Measurement of fair values

A number of the Company’s accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1	- quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	- inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices).
Level 3	- inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Consolidated and Separate financial statements
As at 31 December, 2024

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 30 – Financial instruments- Fair values and financial risk management.

3 Changes in significant accounting policies

The Company has initially adopted IFRS 16 *Leases* and IFRIC 23 *Uncertainty over Income Tax treatments* from 1 January 2019. A number of other new standards are effective from 1 January 2019 but they do not have a material effect on the Company's financial statements.

A. IFRS 16 Leases

The Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 is not restated –i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

(a) Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 *Determining whether an Arrangement contains a Lease*. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note (4Q).

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a leases under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

(b) As a Lessee

As a lessee, the Company leases land, motor vehicles and property rentals. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for leases of land and motor vehicles- i.e. these leases are on-balance sheet.

Leases classified as finance leases under IAS 17

On transition to IFRS 16, the carrying amount of the right of use assets and the lease liability at 1 January 2019 is determined at the carrying amount of the leased asset and lease liability under IAS 17 immediately before that date. The right of use assets recognised from the leases are presented in investment property as well as property, plant and equipment and measured at cost at that date.

Notes to the Consolidated and Separate financial statements
As at 31 December, 2024

Leases classified as operating leases under IAS 17

Previously, the Company classified property leases as operating leases under IAS 17.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS17. The Company:

- did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application.
- did not recognise right-of-use assets and liabilities for leases of low value asset;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application ; and
- used hindsight when determining the lease term.

In particular, the Company did not recognise right of use asset and liability for the property rentals as the lease terms end within 12 months of the date of initial application.

(c) As a Lessor

The Company leases out its investment property, and an insignificant portion of the Company's building properties. The Company has classified these leases as operating leases.

The Company is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor. Under IAS 17, the lease contracts were classified as operating leases.

B. IFRIC 23 Uncertainty over Income Tax treatments

The Company has adopted IFRIC 23 for the first time in the year 2019. The amendment clarifies how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
- If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
- If no, the entity should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

4 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

Notes to the Consolidated and Separate financial statements
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A. Foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded in Naira at the actual exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to naira at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

B. Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

The Company's financial assets comprises trade and other receivables, cash and cash equivalents and other financial assets; and are classified as financial assets measured at amortised cost.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company’s continuing recognition of the assets.

Notes to the Consolidated and Separate financial statements
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Financial Assets- Assessment whether contractual cash flows are solely payments of principal and interest:
For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.
In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets- Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss

The Company's financial liabilities comprises loans and borrowings, trade and other payables and dividend payable; and are classified as other financial liabilities.

(iv) Derecognition and offsetting

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.
On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

C. Capital and other reserves

i. Share capital

The Company has only one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded as share premium. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

ii. Share premium

When the company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares is transferred to the share premium account. Any transaction costs associated with the share issues are deducted from share premium account, net of any related income tax benefits. The use of the share premium account is governed by S.120 (3) of the Companies and Allied Matters Act, CAP C.20, Laws of the Federation of Nigeria, 2004,

iii. Retained earnings

Retained earnings represents the Company’s accumulated earnings since its inception, less any distributions to shareholders, and net of any prior period adjustments. A negative amount of retained earnings is reported as accumulated deficit.

Notes to the Consolidated and Separate financial statements
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iv. Fair value reserve

Fair value reserve comprises the cumulative net change in available-for-sale financial assets until the assets are derecognised or impaired.

D. Property, plant and equipment

i. **Recognition and measurement**

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.
Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of construction recognised includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets. Items of property, plant and equipment under construction are disclosed as capital work-in-progress.

If significant part of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

ii. **Subsequent cost**

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii. **Derecognition**

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on derecognition or disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net in profit or loss in the statement of profit or loss and other comprehensive income.

iv. **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment which reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Capital work-in-progress is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

• Leasehold land		– Unlimited
• Buildings		– 20 years
• Plants and machinery		
	- Fixed plant	– 12 -40 years
	- Movable plant	– 7 years
	- Generators	– 5 years
• Motor vehicles		
	- Trucks	– 6 years
	- Cars	– 4 years
• Furniture and fittings		– 5 years
• Computer equipment		– 5 years
• Motor vehicles under lease		– 5 years
• Motor vehicles under lease		− lease period

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.
The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

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E. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at the end of each year, changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate, and are treated as charges in accounting estimates.

The amortisation expense of tangible assets with finite lives is recognised in the profit or loss as the expense category that is consistent with the function of the intangible assets. Gains or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when asset is derecognised.

Purchased software are recognised as assets if there is sufficient certainty that future economic benefits associated with the item

will flow to the entity. Amortisation is calculated using the straight-line method over three (3) years.
The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Internally generated intangible assets
Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if and only if all of the following have been demonstrated:
- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

The internally generated intangible asset represents product formulation development for the newly commissioned automated paint factory.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and

accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

F. Investment property

i. **Recognition and measurement**

An investment property is either land or a building or part of a building held by the Company to earn rentals or for capital appreciation or both.

Investment property is initially measured at cost, including transaction costs. Such cost does not include start-up costs, abnormal waste, or initial operating losses incurred before the investment property achieves the planned level of occupancy.

The cost model is applied in accounting for investment property. The investment property is recorded at cost less any accumulated depreciation and accumulated impairment losses.

Notes to the Consolidated and Separate financial statements
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ii. **Subsequent expenditure**

The cost of replacing a part of an item of investment property is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of investment property are recognised in profit or loss as incurred.

iii. **Depreciation**

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of the investment property which reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	–	20 years
• Leasehold land	–	Unlimited

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

iv. **Transfers**

Transfers to, or from, investment property are made when there is a change in use, evidenced by:
- commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- commencement of development with a view to sale, for a transfer from investment property to inventories;
- end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- commencement of an operating lease to another party, for a transfer from inventories to investment property.

Transfers to, or from, investment property does not change the carrying amount of the property transferred, and they do not change the cost of the property for measurement or disclosure purposes.

G. Impairment

Non-derivative financial assets

i. Financial instrument

The Company's financial assets consist of cash and cash equivalent, trade receivables and other financial assets, The Company recognises loss allowances for expected credit loss (ECL) on financial assets measured at amortised cost. The Company measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.
The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.
The Company considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 60 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For cash and cash equivalent and other financials assets, Company applies a general approach in calculating the ECLs. The Company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of investment grade.

ii Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).
ECLs are discounted at the effective interest rate of the financial asset.

iii Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.
Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 60 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

iv Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

v Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

H. Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

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I. Provisions

A provision is recognised, if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost in profit or loss.

J. Employee benefits

i. Defined contribution plan

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for all employees. The Company and its employees contribute a minimum of 10% and 8% of the employees annual basic salary, housing and transport allowances respectively to the scheme. Employee contributions to the scheme are funded through payroll deductions while the Company's contributions are charged to profit and loss.

On 1 January 2016, the Company increased the employer contributions to the scheme to 15% of employee's annual basic salary, housing and transport allowances.

ii. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided in profit or loss.

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

iii. Termination benefits

Termination benefits are recognized as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

K. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventory includes expenditure incurred in acquiring the inventory, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The basis of costing is as follows:

Raw materials, non-returnable packaging materials and consumable spare parts	–	purchase cost on a weighted average basis including transportation and applicable clearing charges.
Finished products and products-in-process	–	weighted average cost of direct materials and labour plus a reasonable proportion of manufacturing overheads based on normal levels of activity.
Goods in transit	–	Purchase cost incurred to date

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of conversion and selling expenses. Allowance is made for obsolete, slow moving or defective items where appropriate.

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L. Revenue by nature

(i) Revenue from contract with customers

a Sale of paints and allied products

Revenue from the sale of goods in the course of ordinary activities represents sale of paints and allied products and is measured at the fair value of the consideration received or receivable, net of value added tax, sales returns, trade discounts and volume rebates.

Revenue is recognised when the goods are delivered and have been accepted by customers. The Company allocates a portion of consideration received to loyalty points as applicable. The allocation is based on the relative stand alone selling prices. The amount allocated to the loyalty program is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points become remote. The deferred revenue is included in contract liabilities.

b Contract services - supply and apply services contract

Supply and apply services contract revenue results from rendering painting services to customers. These services are rendered based on specific negotiated contracts with the customers.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

Revenue is recognized overtime on basis of the Company's cost incurred relative to the total expected cost for the satisfaction of the performance obligation. The related cost are recognised in profit or loss when they are incurred. Advances received are included in contract liabilities and presented as part of trade and other payables. Unbilled receivables for services rendered are included as contract assets and presented as part of trade and other receivables.

(ii) Investment property rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other properties are recognised as other income.

M. Finance income and finance costs

Finance income comprises interest income on funds invested, dividend income, gains on re-measurement o financial assets measured at amortised cost, and reclassification of net gains previously recognised in OCI. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established.

Finance costs comprise interest expense on lease and other financial liabilities and impairment losses recognised on financial assets (other than trade receivables). Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

N. Government grant

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they become receivable.

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.

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O. Taxation

Income tax

Income tax expense comprises current tax (Company Income Tax, Tertiary Education Tax, Nigeria Police Trust Fund levy and Capital gains tax) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income. The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

(a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Company Income Tax is computed on taxable profits; Tertiary Education Tax is computed on assessable profits while the Nigeria Police Trust Fund is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the Company during the year). Income tax liabilities are presented in the statement of financial position net of withholding taxes.

(b)Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unutilised tax losses, unutilised tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if, and only if the Company:

(a) has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
- the same taxable entity; or
- different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

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(c) Minimum tax expense

The Company is subject to the Finance Act, 2019 which amends the Company Income Tax Act (CITA). Total amount of tax payable under the Finance Act, 2019 is determined based on the higher of two components; Company Income Tax (based on taxable income (or loss) for the year); and Minimum tax (determined based on of 0.5% of qualifying Company's turnover less franked investment income). Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The liability is recognised under current tax liabilities in the statement of financial position.

Where the minimum tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum tax expense.

P. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the 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 own shares held (if any), for the effects of all dilutive potential ordinary shares.

Q. Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS17 and IFRIC4. The details of accounting policies under IAS17 and IFRIC4 are disclosed separately.

Policy applicable from 1 January 2019

At inception of a contract, the Company assess 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 Company uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January, 2019.

i. As a lessee

The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asses or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use is subsequent depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use assets will be depreciated over the useful life of the underlying assets, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted or certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses interest rate implicit in the lease liability agreement as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commence date;

- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease the Company is reasonably certain not to terminate early.

The lease liability is measured at armotised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of wether it will exercise a purchase, extension or terminate option or if there is a revised in-substance fixed lease payment.

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When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment and lease liabilities in loans and borrowings in the statement of financial position. Right of use assets comprises motor vehicles under lease and leasehold land.

Short-term leases and leased of low-value assets.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expenses on a straight-line basis over the lease term.

ii. As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accountings for its interests in the head lease and the sub-lease separately. It assesses the classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classified the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognizes lease payments received under operating leases as income on a straight -line basis over the lease term as part of 'other revenue'.

Generally, the accounting policies applicable to the Company as a lessor in the comparative period were not different from IFRS 16.

Policy applicable before 1 January 2019

i. Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

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ii. Leased assets

Assets held by the Company under leases which transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

iii. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

R. Statement of cashflows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividend paid to ordinary shareholders are included in financing activities while finance income received is included in investing activities.

S. Operating Segment

An operating segment is a distinguishable component of the Company that earns revenue and incurs expenditure from providing related products or services (business segment), or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.

The Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.

All operating segments' operating results are reviewed regularly by the Management Committee, which is considered to be the chief operating decision maker for the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Company's Management Committee include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax assets and liabilities.

T. Dividends

Dividend payable is recognised as a liability in the period in which they are declared and the shareholders right to receive payment has been established.

Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with section 385 of the Companies and Allied Matters Act of Nigeria are written back to retained earnings.

U. Prepayments and advances

Prepayments and advances are non-financial assets which result when payments are made in advance of the receipt of goods or services. They are recognized when the Company expects to receive future economic benefits equivalent to the value of the prepayment. The receipt or consumption of the goods or services results in a reduction in the prepayment and a corresponding increase in expenses (assets) for that reporting period.

V. Deposit for imports

Deposit for imports are non-financial assets which result when letters of credit are opened with the bank for the importation of raw materials and plant and machinery. They are recognized when the Company expects to receive future economic benefits equivalent to the value of the deposit made.

W. Investment in subsidiary

Subsidiaries are entities controlled by the Company. Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. Where the recoverable amount of the investment is less than the carrying amount, an impairment is recognized in profit or loss. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognized in profit or loss.

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X. Related parties

Related parties include the Company's shareholders, directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company. Key management personnel are also regarded as related parties. 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 that entity.

Related parties transactions of similar nature are disclosed in aggregate except where separate disclosure is necessary for understanding of the effects of the related party transactions on the financial statements of the entity.

Y. New standards and interpretations not yet adopted

Standards issued but not yet effective

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2019 and have not been adopted in preparing these financial statements. Those Standards, Amendments to Standards, and Interpretations which may be relevant to the Company are set out below. Earlier adoption is permitted; however, the Company has not early adopted the new or amended standard in preparing the financial statement.

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

Z. Standards, Interpretations effective from 1 January 2019

There are new issued accounting standards, ammendment to standards and interpretations that are effective first beginning 1 January 2019. Other than those disclosures in Note 3, the Directors have considered the following amended standards and interpretations and that they are not expected to have a significant impact on the Company's financial statements:

- Prepayment features with negative compensation (Amendment to IFRS 9)
- Long term interests in Associates and Joint Ventures (Amendment to IAS 8)
- Plan Amendment, Curtailment or Settlement (Amendment to IAS 19)
- Annual improvements to IFRS Standards 2015/17 Cycle Various Standards

Notes to the Consolidated and Separate financial statements
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5 Revenue

(a) Revenue stream for the period comprises:

In thousands of naira	**Recognition policy**	**GROUP 12 Mths to 31 Dec 2024**	**GROUP 12 Mths to 31 Dec 2023**	**COMPANY 12 Mths to 31 Dec 2024**	**COMPANY 12 Mths to 31 Dec 2023**
(i) Revenue from contract with customers					
- Sale of paints and allied products*	At a point in time	10,709,244	7,603,703	10,709,244	7,603,703
- Contract services	Over time	122,667	363,843	30,257	306,478
(ii) Revenue from leases of investment property		-		-	-
		10,831,911	**7,967,546**	**10,739,501**	**7,910,181**

*Revenue from sale of paints and allied products for the year comprises: *In thousands of naira*	**GROUP 12 Mths to 31 Dec 2024**	**GROUP 12 Mths to 31 Dec 2023**	**COMPANY 12 Mths to 31 Dec 2024**	**COMPANY 12 Mths to 31 Dec 2023**
Revenue (net of value added tax)	13,207,339	9,259,710	13,207,339	9,259,710
Discounts and rebates	(2,484,785)	(1,656,007)	(2,484,785)	(1,656,007)
	10,722,554	**7,603,703**	**10,722,554**	**7,603,703**

Nigeria is the Company's primary geographical segment as all sales in the current and prior year were made in the country.

(b) Contract balances

The Company's contract balance comprises of trade receivables from contract with customers and is included in trade and other receivables (Note 18(a)). The balance is analysed as follows:

In thousands of naira	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**
Billed receivables in respect of sales of paints and allied products	183,706	219,370	158,075	201,877
Unbilled receivables in respect of contract services	83,688	1,772	83,688	1,772
Trade receivables (Note 18(a))	267,394	221,142	241,763	203,649

6 Other income

Other income comprises:

In thousands of naira	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**
Sale of Scrap	47,552	19,290	47,552	19,290
Income on property leases*	14,817	33,315	14,817	33,315
Profit from disposal of property, plant and equipment	6,360	18,514	6,000	18,514
Insurance claims received	15	184	15	184
Income from new BBPs and other income	50,637	7,000	50,637	7,000
Sale of raw materials		5682		5,682
	119,381	**83,985**	**119,021**	**83,985**

*This represents income earned from leases of an insignificant portion of the Company's building properties to third parties.

Notes to the Consolidated and Separate financial statements
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7 Finance income and finance cost

Recognised in profit or loss:

In thousands of naira	GROUP 12 Mths to 31 Dec 2024	GROUP 12 Mths to 31 Dec 2023	COMPANY 12 Mths to 31 Dec 2024	COMPANY 12 Mths to 31 Dec 2023
Interest income on bank deposits	0	30	0	30
Interest income on other financial assets	11,966	40,546	11,966	40,546
Foreign currency gain (loss)	(1,640)	0	(1,640)	-
Net gain on financial liabilities measured at amortised costs	-		-	-
Government grant		12,882		12,882
Total finance income	**10,326**	**53,458**	**10,326**	**53,458**
Interest expense on borrowings	(51,495)		(51,495)	-
Foreign currency loss	-		-	-
Interest expense on lease liabilities	-		-	-
Interest expense on financial liabilities measured at amortised costs.	-	(28,419)	-	(28,419)
Total finance cost	**(51,495)**	**(28,419)**	**(51,495)**	**(28,419)**
Net finance income recognised in profit or loss	**(41,169)**	**25,039**	**(41,169)**	**25,039**

8 Profit before income tax

Profit before tax is stated after charging/(crediting):

In thousands of naira	Note	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Directors' emoluments	9(a)	124,595	88,068	109,725	88,068
Depreciation	9(b)	228,410	226,046	225,642	224,352
Amortisation	14	10,749	10,877	10,749	10,877
Personnel expenses	10(a)	1,128,004	841,665	1,122,783	831,486
Auditors' remuneration	9(a)	38,238	29,250	35,282	27,000
(Write back) Impairment loss on trade receivables	18(b)	3,980	(44,566)	3,980	(44,566)
Minimum tax	12	-	-	-	-
Profit on disposal of property, plant and equipment	6	(6,000)	(18,514)	(6,000)	(18,514)

9 (a) Expenses

(i) Analysis of expenses by nature

In thousands of naira	Note	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Directors emoluments	10(d)	124,595	88,068	109,725	88,068
Personnel expenses	10(a)	1,128,004	841,665	1,122,783	831,486
Training expenses		10,917	444	10,917	444
Repairs and maintenance		212,063	126,832	212,063	126,832
Office and corporate expenses		455,145	157,049	455,145	136,738
License and permits		49,603	41,931	49,603	41,931
Utilities		206,007	192,086	206,007	192,086
Insurance		81,493	53,687	81,493	53,687
Travel, transport and accommodation		288,508	160,004	288,508	160,004
Rent, rate and levies		10,423	1,997	10,423	1,997
Subscriptions and donations		5,241	16,178	5,241	16,178
Donations		-	1,047	-	1,047
Depreciation	9(b)	228,410	226,046	225,642	224,352
Amortisation	14	10,749	10,877	10,749	10,877
Printing and stationery		6,372	6,476	6,372	6,476
Professional and Consultancy		186,120	86,312	185,081	86,312
Auditors' remuneration		38,238	29,250	35,282	27,000
Other receivables written off		3,980	0	3,980	0
Bank charges		16,033	16,667	15,925	16,667
Advertisement and publicity expenses		248,041	158,792	247,987	157,710
Distribution expenses		455,747	370,629	455,015	370,629
Raw materials and consumables		6,177,986	4,469,555	6,108,882	4,424,239
Foreign currency exchange loss		0	80,207	0	80,207
Contract services expenses		23,261	209,021	23,261	209,021
		9,966,936	**7,344,820**	**9,870,084**	**7,263,988**

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In thousands of naira	Note	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Summarised as follows:					
(ii) Cost of sales		6,871,143	5,259,377	6,802,986	5,214,061
Selling and distribution expenses		703,733	526,991	703,001	525,909
Administrative expenses		2,416,493	1,558,452	2,388,530	1,524,018
Total cost		**9,991,369**	**7,344,820**	**9,894,517**	**7,263,988**

(b) Depreciation

In thousands of naira	Note	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Depreciation charged for the perod comprises:					
Depreciation of property, plant and equipment	13	208,107	205,686	205,339	203,992
Depreciation of investment property	15	20,303	20,360	20,303	20,360
Total depreciation		**228,410**	**226,046**	**225,642**	**224,352**

10 Personnel expenses

(a) Personnel expenses, excluding remuneration of the executive directors during the perod comprises:

In thousands of naira	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Salaries, wages and allowances	701,970	782,010	696,749	771,831
Other Staff expenses	352,091		352,091	0
Employer contribution to compulsory pension fund scheme	73,943	59,655	73,943	59,655
	1,128,004	841,665	1,122,783	831,486

(b) Number of employees of the Company at period end, whose duties were wholly or mainly discharged in Nigeria, received annual remuneration (excluding pe contributions and certain benefits) in the following ranges:

₦		₦	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
					Number	Number
1	-	500,000	-	-	-	-
500,001	-	1,000,000	-	1	-	1
1,000,001	-	1,500,001	3	8	3	8
1,500,001	-	2,000,001	12	22	12	22
2,000,001	-	3,000,001	40	33	40	33
3,000,001	and	above	81	71	81	71
			136	135	136	135

(c) The number of persons employed as at period end are:

	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
			Number	Number
Production	20	22	20	22
Sales and marketing	40	40	40	40
Finance	8	9	8	9
Human Resource	4	4	4	4
Maintenance	6	6	6	6
Admin/Corporate	19	16	19	16
Logistics & Supply Chain	18	15	18	15
Internal Control	4	4	4	4
Information Technology (IT)/CSR	2	2	2	2
Technical & Quality Assurance	11	13	11	13
Risk Management	4	4	4	4
	136	135	136	135

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(d) Remuneration (excluding pension contributions and certain benefits) paid to directors of the Company and charged to the profit or loss are as follows:

	GROUP	GROUP	COMPANY	COMPANY
In thousands of naira	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**
Fees paid to non-executive directors	117,025	56,742	109,725	52,717
Salaries	76,380	35,351	76,380	35,351
	193,405	92,093	186,105	88,068

The directors' remuneration shown above includes:

In thousands of naira	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**
Chairman	16,500	9,000	15,000	7,500
Highest paid director	76,380	35,351	76,380	35,351

Other directors received emoluments in the following ranges:

₦		₦	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**
					Number	Number
250,001	-	1,000,000	-	-	-	-
1,000,001	-	3,000,000	-	-	-	-
3,000,001	-	10,000,000	4	4	4	4
10,000,001	-	16,500,000	1	1	1	1
			5	5	5	5

11 Taxation

(a) The tax charge for the year has been computed after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes, and comprises:

In thousands of naira	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**
Current tax expense:				
Company income tax	274,351	215,191	275,657	215,191
WHT credit notes impaired	0	7,594	-	7,594
Nigeria Police Trust Fund Levy (NPTF)	0	40	-	40
Tertiary education tax	18,377	30,295	18,377	30,295
	292,728	253,120	294,034	253,120
WHT credit impairment	0		-	0
WHT credit recovered	0		0	0
(Credit)/charge for the year	292,728	253,120	294,034	253,120
Deferred tax expense/(credit):				
Origination and reversal of temporary differences (Note 11(e))		77,866	-	77,866.00
Income tax expense	**292,728**	**330,986**	**294,034**	**330,986**

(b) Reconciliation of effective tax rate:

		GROUP	GROUP	COMPANY	COMPANY
In thousands of naira	%	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Profit for the period		622,046	445,330	624,822	468,797
Taxation		292,728	330,986	294,034	330,986
Profit before taxation		914,774	776,316	918,856	799,783
Income tax using the Company's domestic r	30	274,432	232,895	275,657	239,935
Tertiary education tax	3	18,295	23,289	18,377	23,993
Effect of					
- Nigeria Police Trust Fund (NPTF) levy		-	40	40	40
- Non-deductible expenses		-	62,119	-	54,375
- Tax exempt income		-	-	-	0
- Tax incentives			0	0	0
- Net WHT notes impaired			7,594	-	7,594
- Change in tax rate			5,049.00	-	5,049
Tax expense	43	292,728	330,986	294,074	330,986

(c) The movement in the tax payable during the year was as follows:

	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
i. **Current tax liabilities**				
In thousands of naira				
Balance as at 1 January	184,330	14,759	184,330	14,759
Current period charge	292,728	245,526	294,034	245,526
Minimum tax charge	-		-	0
Cash payments	(80,394)	(14,759)	(80,394)	(14,759)
WHT credit notes utilised	(53,522)	(61,196)	(53,522)	(61,196)
Balance as at period end (A)	343,594	184,330	344,448	184,330
ii. **WHT credit notes**				
Balance as at 1 January	-	42,050	-	42,050
Net WHT credit recovered	-	-	-	-
Additions	111,588	26,740	111,588	26,740
Transfer from prepayment and advances (Note 20)	-	(7,594)	-	(7,594)
WHT credit notes utilised	(53,522)	(61,196)	(53,522)	(61,196)
Balance as at period end (B)	58,066	0	58,066	-
Total current tax liabilities as at period end (A+B)	(285,528)	(184,330)	(286,382)	(184,330)

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(e) Movement in deferred taxation
In thousands of naira

	Balance at 1 January	Tax Impact of IFRS 9 transition Adjustment	Recognised in profit or loss	Net	Deferred tax assets	Deferred tax liabilities
GROUP						
31 December 2024						
Property, plant and equipment	**528,587**	-	**73,393**	**601,980**	-	**601,980**
Allowance on trade receivable	**(59,822)**	-	**25,856**	**(33,966)**	**(33,966)**	-
Right of use assets	-	-	-	-	-	-
Provision for gratuity discontinued	**(713)**	-	-	**(713)**	**(713)**	-
Provision for slow moving inventories	**(11,969)**	-	**4,881**	**(7,088)**	**(7,088)**	-
Unrealised exchange losses/(gain)	**(201)**	-	**(26,264)**	**(26,465)**	**(26,465)**	-
Available-for-sale financial assets - net	-	-	-	-	-	-
				-		
Net tax (assets)/ liabilities	**455,882**	-	**77,866**	**533,748**	**(68,232)**	**601,980**
GROUP						
31 December 2023						
Property, plant and equipment	**528,587**	-	**73,393**	**601,980**	-	**601,980**
Allowance on trade receivable	**(59,822)**	-	**25,856**	**(33,966)**	**(33,966)**	-
Right of use assets	-	-	-	-	-	-
Provision for gratuity discontinued	**(713)**	-	-	**(713)**	**(713)**	-
Provision for slow moving inventories	**(11,969)**	-	**4,881**	**(7,088)**	**(7,088)**	-
Unrealised exchange losses/(gain)	**(201)**	-	**(26,264)**	**(26,465)**	**(26,465)**	-
Available-for-sale financial assets - net	-	-	-	-	-	-
				-		
Net tax (assets)/ liabilities	**455,882**	-	**77,866**	**533,748**	**(68,232)**	**601,980**
COMPANY						
31 December 2024						
Property, plant and equipment	528,587	-	73,393	601,980	-	601,980
Allowance on trade receivable	(59,822)	-	25,856	(33,966)	(33,966)	
Right of use assets	-	-	-	-	-	
Provision for gratuity discontinued	(713)	-	-	(713)	(713)	
Provision for slow moving inventories	(11,969)	-	4,881	(7,088)	(7,088)	
Unrealised exchange losses/(gain)	(201)	-	(26,264)	(26,465)	(26,465)	
Net tax (assets)/ liabilities	455,882	-	77,866	533,748	(68,232)	601,980
COMPANY						
31 December 2023						
Property, plant and equipment	528,587	-	73,393	601,980	-	601,980
Allowance on trade receivable	(59,822)	-	25,856	(33,966)	(33,966)	-
Right of use assets	-	-	-	-	-	-
Provision for gratuity discontinued	(713)	-	-	(713)	(713)	-
Provision for slow moving inventories	(11,969)	-	4,881	(7,088)	(7,088)	-
Unrealised exchange losses/(gain)	(201)	-	(26,264)	(26,465)	(26,465)	0
Net tax (assets)/ liabilities	455,882	-	77,866	533,748	(68,232)	601,980

12 Basic and diluted earnings per share

Basic earnings per share of 215kobo and 216 Kobo (31 December 2023: 154 kobo and 162 kobo) is based on the Group profit and Company profit for the period of ₦622.0 million and N624.8million (31 December 2023: ₦445.3 million and N468.8million) and on 289,823,447 (2023: 289,823,447) ordinary shares of 50 kobo each, being the weighted average number of ordinary shares in issue Basic earnings per share is the same as diluted earnings per share.

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As at 31 December, 2024

13 Property Plant and equipment

GROUP

(a) The movement on these accounts was as follows:

In thousands of naira

	Note	Leasehold Land N'000	Buildings N'000	Plants and Machinery N'000	Furniture and fittings N'000	Motor Vehicles N'000	Computer Equipment N'000	Motor Vehicles under Lease N'000	Capital work-in progress N'000	TOTAL N'000
Cost										
Balance at 1 January 2023		390,000	1,313,360	1,560,286	69,255	165,381	172,591	182,350	-	3,853,223
Additions		-	-	93,178	37,561	8,025	15,891	-	134,153	288,808
Transfer		-	-	-	-	-	-	-	-	-
Reclasification to intangible assets		-	-	-	-	-	-	-	-	-
Disposals/write-off		-	-	(23,879)	(4,140)	(27,454)	(6,532)	-	-	(62,005)
Balance at 31 December 2023		390,000	1,313,360	1,629,585	102,676	145,952	181,950	182,350	134,153	4,080,026
Balance at 1 January 2024		390,000	1,313,360	1,629,585	102,676	145,952	181,950	182,350	134,153	4,080,026
Additions		-	159,269	101,885	104,318	5,943	49,947	55	(134,153)	287,264
Swift Painting										-
Transfer		-	-	-	-	-	-	-	-	-
Reclasification to intangible assets		-	-	-	-	-	-	-		-
Disposals		-	-	-	-		-	-	-	-
Balance at 31 December 2024		390,000	1,472,629	1,731,470	206,994	151,895	231,897	182,405	(0)	4,367,290
Accumulated depreciation										
Balance at 1 January 2023		78,081	432,392	432,428	55,924	142,056	129,278	131,699	-	1,401,858
Charge for the year	9(b)	-	66,743	71,879	9,623	8,906	16,231	32,304	-	205,686
Disposals		-	-	(22,893)	(4,129)	(26,617)	(6,532)	-	-	(60,171)
Balance at 31 December 2023		78,081	499,135	481,414	61,418	124,345	138,977	164,003	-	1,547,373
Balance at 1 January 2024		78,081	499,135	481,414	61,418	124,345	138,977	164,003	-	1,547,373
Charge for the period	9(b)	-	75,105	62,778	25,694	20,812	23,715	-	-	208,104
Disposals		-	-	-	-	-	-		-	-
Balance at 31 December 2024		78,081	574,240	544,192	87,112	145,157	162,692	164,003	-	1,755,477
Carrying amounts										
At 31st December 2024		311,919	898,389	1,187,278	119,882	6,738	69,205	18,402	(0)	**2,611,774**
At 31 December 2023		311,919	814,225	1,148,171	41,258	21,607	42,973	18,347	134,153	**2,532,653**

Notes to the Consolidated and Separate financial statements
As at 31 December, 2024

COMPANY

(a) The movement on these accounts was as follows:
In thousands of naira

	Note	Leasehold Land N'000	Buildings N'000	Plants and Machinery N'000	Furniture and fittings N'000	Motor Vehicles N'000	Computer Equipment N'000	Motor Vehicles under Lease N'000	Capital work-in progress N'000	TOTAL N'000
Cost										
Balance at 1 January 2023		390,000	1,313,360	1,560,286	69,255	165,381	172,592	182,350	-	3,853,224
Additions		-	0	93,178	37,561	3,700	15,496	-	134,153	284,088
Transfer		-	-	(15,045.00)	-	(3,700.00)	(489.00)	-	-	(19,234)
Reclasification to intangible assets		-	-	-	-	-	-	-	-	-
Disposals/write-off		-	-	(23,879)	(4,140)	(27,454)	(6,532)	-	-	(62,005)
Balance at 31 December 2023		390,000	1,313,360	1,614,540	102,676	137,927	181,067	182,350	134,153	4,056,073
Balance at 1 January 2024		390,000	1,313,360	1,614,540	102,676	137,927	181,067	182,350	134,153	4,056,073
Additions		-	159,269.00	101,885	104,318	5,943	49,947	55	(134,153)	287,264
Transfer		-	-	-	-	-	-	-	-	-
Reclasification to intangible assets		-	-	-	-	-	-	-		-
Disposals		-	-	-	-		-	-	-	-
Balance at 31 December, 2024		390,000	1,472,629	1,716,425	206,994	143,870	231,014	182,405	(0)	4,343,337
Accumulated depreciation										
Balance at 1 January 2023		78,081	432,392	432,428	55,924	142,056	129,278	131,699	-	1,401,858
Charge for the year	*9(b)*	-	65,668	71,351	9,623	8,906	16,140	32,304	-	203,992
Transfer (a)1)				(7,124)	0	(542)	(306)			(7,972)
Disposals		-	-	(22,893)	(4,129)	(26,617)	(6,532)	-	-	(60,171)
Balance at 31 December 2023		78,081	498,060	473,762	61,418	123,803	138,580	164,003	-	1,537,707
Balance at 1 January 2024		78,081	498,060	473,762	61,418	123,803	138,580	164,003	-	1,537,710
Charge for the period	*9(b)*	-	75,105	60,010	25,694	20,812	23,715	-	-	205,339
Disposals		-	-	-	-	-	-		-	-
Balance at 31 December, 2024		78,081	573,165	533,772	87,112	144,615	162,295	164,009	-	1,743,049
Carrying amounts										
At 31st December 2023		311,919	815,300	1,140,778	41,258	14,124	42,487	18,347	134,153	**2,518,366**
At 31 December 2024		311,919	899,464	1,182,653	119,882	(745)	68,719	18,396	(0)	**2,600,288**

Notes to the Consolidated and Separate financial statements

As at 31 December, 2024

(b) **Assets pledged as security**

No asset of the Company was pledged as security for loan as at 31 December, 2024 (December 2023: Nil)

(c) **Impairment of property, plant and equipment**

No impairment loss was recognised for the period (December 2023: Nil).

Capital expenditure commitments for the period ended 31 December 2024 authorised by the Board of Directors comprise:

	GROUP	GROUP	COMPANY	COMPANY
In thousands of naira	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**
Approved but not contracted	0	271,273	0	271,273
	0	271,273	0	271,273

(e) **Property, plant and equipment under construction**

Capital work in progress comprises amounts incurred with respect to Leasehold improvements and buildings and furniture and fittings as at year end.

In thousands of naira	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**
Closing capital work in progress is analysed as follows				
Furniture and Fittings	-	58,540	-	58,540
Buildings	-	75,613	-	75,613
	-	-	-	134,153

(f) **Right of use assets**

Right of use assets comprises leasehold land and motor vehicles under finance leases.

Notes to the Consolidated and Separate financial statements

As at 31 December, 2024

(g) **Additions in statement of cash flows**

In thousands of naira	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Additions (Note 13(a))	287,264	288,808	287,264	284,088
Additions to Right of Use assets (Motor vehicles under lease)	-	-	-	-
Accrued additions to PPE (Note 24(c))	-	-	-	-
Borrowing cost capitalised	-	-	-	-
	287,264	288,808	287,264	284,088

14 **Intangible assets**

In thousands of naira	*Note*	Computer Software	Intangible assets under development	Total
GROUP				
Cost				
Balance at 1 January 2023		108,948	-	108,948
Additions		652	-	652
Reclassification from property, plant & equipment		-		-
Disposals				-
Balance at 31 December 2023		109,600	-	109,600
Balance at 1 January 2024		109,600	-	109,600
Additions		33,862	-	33,862
Reclassification from property, plant & equipment	*14(a)*	-	-	-
Balance at 31 December 2024		143,462	-	143,462
Accumulated amortisation				
Balance at 1 January 2023		81,121	-	81,121
Charge for the year	*9(a)*	10,877	-	10,877
Transfers				-
Disposals				-
Balance at 31 December 2023		91,998	-	91,998
				-
Balance at 1 January 2024		91,998	-	91,998
Charge for the period	*9(a)*	10,749	-	10,749
Balance at 31 December 2024		102,747	-	102,747
Carrying amounts				
At 31 December 2023		**17,602**	-	17,602
At 31 December, 2024		**40,715**	-	**40,715**

Notes to the Consolidated and Separate financial statements
As at 31 December, 2024

COMPANY				
Cost				
Balance at 1 January 2023		108,948	-	108,948
Additions		652.00	-	652.00
Reclassification from property, plant & equipment		-		-
Balance at 31 December 2023		109,600	-	109,600
Balance at 1 January 2024		109,600	-	109,600
Additions		33,862	-	33,862
Reclassification from property, plant & equipment	*14(a)*	-	-	-
Balance at 31 December 2024		143,462	-	143,462
Accumulated amortisation				
Balance at 1 January 2023		81,121	-	81,121
Charge for the year	*9(a)*	10,877	-	10,877
Balance at 31 December 2023		91,998	-	91,998
Balance at 1 January 2024		91,998	-	91,998
Charge for the period	*9(a)*	10,749	-	10,749
Balance at 31 December 2024		102,747	-	102,747
Carrying amounts				
At 31 December 2023		17,602	-	17,602
At 31 December 2024		40,715	-	40,715

Intangible assets amortisation charged to profit or loss for the period amounts to ₦10.8million (31 December 2023: ₦10.9.million) and is included as part of administrative expenses.

Notes to the Consolidated and Separate financial statements

As at 31 December, 2024

15 Investment property

The movement on this account was as follows:

	GROUP	GROUP	COMPANY	COMPANY
In thousands of naira	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**
Cost				
Balance at 1 January	604,468	604,468	604,468	604,468
Balance at 31 December	604,468	604,468	604,468	604,468
Accumulated depreciation				
Balance at 1 January	262,954	242,594	262,954	242,594
Charge for the period	20,303	20,360	20,303	20,360
Balance at 31 December	283,257	262,954	283,257	262,954
Carrying amounts at period ended	321,211	341,514	321,211	341,514

Investment property comprises the Company's land and building at Abuja (hereinafter referred to as Berger Paints Plaza). The Company completed and commissioned the Berger Paints Plaza in November 2013. The Berger Paints Plaza is made up of 2,196 square meters of trade shops and offices available for commercial rent. The property has been leased to third parties and is managed on behalf of the Company by Gauge Construction Servicing Limited.

Each of the leases contains an initial non-cancellable period of one (1) year. No contingent rents are charged.

Rental income generated from investment property recognised during the period was Nil (31 December 2023: Nil).

Direct operating expenses (included in repairs and maintenance expenses) arising from investment property that generated rental income during the period was Nil (30 December 2023: Nil)

Depreciation of ₦20.3 million (31 December 2023: ₦20.4 million) charged on investment property for the period was included in admin expenses

The fair value of the investment property as at period end is ₦2.46 billion (31 December 2023: ₦2.46 billion). The fair value was determined by an external, independent property valuer (Jide Taiwo and Co.) with Financial Reporting Council of Nigeria (FRC) No: FRC/2012/NIESV/0000000000254. The valuation was carried out by Ajibola Abiola with FRC number FRC/2022/PRO/NIESV/004/335466. The fair value measurement of investment property has been categorised as a Level 2 fair value based on the input to the valuation techniques used.

16 Inventories

In thousands of naira

	12 Mths to 31 Dec 2024	**12 Mths to 31 Dec 2023**	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**
Raw and packaging materials	2,648,498	1,276,897	2,648,498	1,276,897
Finished products	730,028	415,731	730,028	415,731
Product-in-process	4,170	10,172	4,170	10,172
Consumable spare parts	64,996	96,470	64,996	96,470
Goods in transit	0	371,025	0	371,025
	3,447,692	2,170,295	3,447,692	2,170,295
Impairment allowance	(16,263)	(22,035)	(16,263)	(22,035)
Inventory provision - Raw Material	(19,867)		(19,867)	
	3,411,562	2,148,260	3,411,562	2,148,260

The value of raw and packaging materials, changes in finished products and products in process consumed during the period and recognised in cost of sales amounted to ₦6.2 billion and N6.1 billion in the consolidated and seperate financial statement respectively (31 December 2023 :₦4.4 billion and N4.4billion).

Notes to the Consolidated and Separate financial statements
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17 Trade and other receivables comprises:

Trade and other receivables comprises:

(a)

In thousands of naira	GROUP 12 Mths to 31 Dec 2024	GROUP 12 Mths to 31 Dec 2023	COMPANY 12 Mths to 31 Dec 2024	COMPANY 12 Mths to 31 Dec 2023
Trade receivables (Note 5(b))	267,394	219,370	241,763	201,877
Lease receivable	83,688	89,804	83,688	89,804
Staff debtors	3,692	1,760	3,692	1,760
Deposit with Company registrar	-	89,796	-	89,796
Contract assets	451	1,772	451	1,772
Other receivables	16,120	306	16,120	306
Receivable from related party	(0)	-	56,054	30,399
Total trade and other receivables	371,345	402,808	401,768	415,714
Impairment allowance	(109,659)	(105,679)	(109,659)	(105,679)
Carrying amount as at period ended	261,686	297,129	292,109	310,035

The Company's exposure to credit and currency risks related to trade and other receivables is disclosed in Note 29(b).

(b)

The movement in the allowance for impairment in respect of trade and other receivables during the period was as follows:

In thousands of naira	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Balance at 1 January	105,679	184,030	105,679	184,030
Net impairment loss recognised	3,980	(44,566)	3,980	(44,566)
Bad debt written off		(33,785)		(33,785)
Balance at 31 December 2024	109,659	105,679	109,659	105,679

(c) Reconciliation of changes in trade and other receivables included in statement of cash flows is as follows:

In thousands of naira

	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Movement in trade and other receivables	26,064	(53,778)	17,926	(66,684)
Exchange loss	(1,640)	-	(1,640)	-
(Write back)/impairment loss of receivables		(44,566)		(44,566)
Changes in trade and other receivables per statement of cash flows	24,424	(98,344)	16,286	(111,250)

18 Deposit for imports

The deposit for imports represents amounts deposited with banks to fund letters of credit. These letters of credit are meant to finance the importation of raw materials. The total value of deposit for imports as at 31 December 2024 amounted to ₦0 (31 December 2023: ₦46.6 million).

19 Prepayments and advances

Prepayments and advances comprises:

In thousands of naira	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Prepaid rent	-		-	-
Advance payment to suppliers	109,980	85,748	109,980	85,748
WHT receivables (Note 11(c)ii)	65,534		65,534	-
Prepaid insurance and others	24,383	67,685	24,383	67,685
	199,897	153,433	199,897	153,433

There were no non-current prepayments and advances made at period-end (31 December 2023: Nil).

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(a) Reconciliation of changes in prepayments and advances included in statement of cash flows is as follows:

In thousands of naira

	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Movement in prepayment and advances	(46,464)	(61,670)	(46,464)	(61,670)
WHT credit notes previously impaired, now recovered	-		-	-
Movement in WHT credit notes	(58,066)	(26,740)	(58,066)	(26,740)
Changes in prepayments and advances per statement of cash flows	(104,530)	(88,410)	(104,530)	(88,410)

20 Cash and cash equivalents

Cash and cash equivalents comprises:

In thousands of naira	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Cash on hand	89	69	89	69
Investment in short term deposit		130,594		130,594
Balance with banks	238,175	671,624	212,666	667,374
Cash and cash equivalents	**238,264**	**802,287**	**212,755**	**798,037**

The Company's exposure to credit and market risk for financial assets is disclosed in Note 29(b).

21 Other financial assets

This represents unclaimed dividend returned by the Company's registrar and invested in short term money market instrument as at period end:

As at 31 December 2024, the investment is analysed as stated below:

	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
At 1 January	257,122	359,747	257,122	359,747
(Proceed from liquidation of investment)/Additions	177,895	(143,171)	177,895	(143,171)
Interest income	11,966	40,546	11,966	40,546
At 31 December 2024	**446,983**	**257,122**	**446,983**	**257,122**

The Company's exposure to credit and market risk for financial assets is disclosed in Note 29(b).

22 Capital and reserves

(a) Ordinary shares as at 31 December 2024

In thousands of naira	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Authorised, Issued and fully paid 289,823,447 ordinary shares of 50k each	144,912.00	144,912	144,912	144,912

(b) Share premium

In thousands of naira	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
At 1 January	635074	635,074	635,074	635,074
At 31 December 2024	635074	635,074	635,074	635,074

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As at 31 December, 2024

23 Trade and other payables

(a) Trade and other payables comprises:

In thousands of naira	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Trade payables	895,144	626,995	881,475	617,897
Customer deposits for paints	418,774	287,889	418,774	287,889
Value Added Tax payable	21,014	18,946	21,014	18,946
Withholding Tax payable	62,232	67,197	62,232	67,197
Related party payables (Note 28 (a))	-		-	
PAYE payable	177,409	68,328	177,409	68,328
Pension payable (Note (b))	19,799	17,182	19,799	17,182
Other non-income taxes	24,153	9,626	24,153.00	9,626
Contract liabilities	-	-	-	-
Accruals	375,608	312,573	375,608	312,573
Other payables	12,053	10,148	12,053	10,148
	2,006,186	1,418,884	1,992,517	1,409,786

The Company's exposure to liquidity risks related to trade and other payables is disclosed in Note 29(b).

(b) ***Pension payable***

In thousands of naira	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Balance at 1 January	17,182	7,655	17,182	7,655
Charge for the year	19,206	69,152	19,206	69,152
Remittances	(16,589)	(59,625)	(16,589)	(59,625)
Balance at 31 December	19,799	17,182	19,799	17,182

(c) Reconciliation of changes in trade and other payables included in statement of cash flows

In thousands of naira	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Movement in trade and other payable	578,015	183,312	582,731	183,312
Unrealised exchange loss	0	0	-	-
Changes in trade and other payables per statement of cash flows	578,015	183,312	582,731	183,312

24 Deferred income

Deferred income comprises:

In thousands of naira	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
Government grant (note (a))	199,877	199,877	199,877	199,877
Deferred project income		6,303		6,303
Lease income received in advance	9,979	18,026	9,979	18,026
Deferred income	209,856	224,206	209,856	224,206
Non-current	151,788	166,138	151,788	166,138
Current	58,068	58,068	58,068	58,068
	209,856	224,206	209,856	224,206

(a) Government grant arises as a result of the benefit received from below-market-interest rate government assisted loans, obtained from the Bank of Industry. In year 2023, the Group obtained bank of industry loan to augment working capital and for the procurement of plant and machinery for the company's paint manufacturing business. The grant will be amortised on a systematic basis over the average useful life of the asset items

Notes to the Consolidated and Separate financial statements
As at 31 December, 2024

25 Loans and borrowings
GROUP
In thousands of naira

31 December 2024	Non-current liabilities	Current liabilities	Total
Bank of Industry loan	-	21,240	21,240
Bank of Industry loan	272,621		272,621
	272,621	21,240	293,861

COMPANY
In thousands of naira

31 December 2024	Non-current liabilities	Current liabilities	Total
Bank of Industry loan	272,621	21,240	293,861
	272,621	21,240	293,861

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 29(b).

(a) **Terms and repayment schedule**

	In thousands of naira	**Currency**	**Nominal interest rate**	**Year of maturity**	**31 December 2024 Face Value**	**31 December 2024 Carrying amount**	**31 December 2023 Face Value**	**31 December 2023 Carrying amount**
(i)	Bank of Industry loan(Plant & Machinery)	NGN	9%	2029	279,746	179,190	279,746	179,190
(ii)	Bank of Industry loan (Working capital)	NGN	12%	2026	202,588	166,028	202,588	166,028
	Total interest-bearing loans				482,334.00	345,218	482,334	345,218

i) **Bank of Industry Loan**
The loan was obtained to finance the procurement of plant and machinery for the company's paint manufacturing business. The applicable interest rate is 9% per annum. The loan is repayable over a period of 72 months (including a moratorium of 12 months between October 2023 to September 2024).

ii The loan was obtained to augment working capital for the procurement of raw material. The applicable interest rate is 12% per annum. The loan is repayable over a period of 36 months (including a moratorium of 12 months including October 2023 to September 2024).

Notes to the Consolidated and Separate financial statements
As at 31 December, 2024

(b) **Movement in loans and borrowings**

in thousands of naira	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Balance, beginning of year	345,218	25,131	345,218	25,131
Additions	(38,308)	345,604	(38,308)	345,604
Repayment of Principal	(13,049)	(25,131)	(13,049)	(25,131)
Repayment of Interest	-	(15,923)	-	(15,923)
Government grant	-	(12,882)		(12,882)
Interest accrued in profit or loss	-	28,419	0	28,419
Balance, end of the period	293,861	345,218	293,861	345,218

26 Dividends

The following dividends were declared and paid by the Company; 0

	Per share (kobo)	12 Mths to 31 Dec 2024 N'000	Per share (kobo)	12 Mths to 31 Dec 2023 N'000
Interim Dividend declared	20	57,965	20	57,965
Dividend Declared	80	231,859	70	202,876

This represents the dividend proposed for the preceding year, but declared in the current period

27 Dividend payable

The movement in dividend payable is as follows:

In thousands of naira	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023	12 Mths to 31 Dec 2024	12 Mths to 31 Dec 2023
At 1 January	382,282	390,796	382,282	390,796
Declared dividend	289,823	260,841	289,823	260,841
Payments	(309,347)	(269,356)	(309,347)	(269,356)
At Period end	362,757	382,281	362,757	382,281

Notes to the Consolidated and Separate Financial Statements

28 Related Parties

Related parties include the Group's shareholders, directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Group. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

A. Transactions with key management personnel

Key management personnel compensation comprised the following:

In thousands of naira	*12 Mths to 31 Dec 2024*	**12 Mths to 31 Dec 2023**	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**
Short-term benefits	219,524	127,772	219,524	117,593
Post employment benefits		-	-	0
	219,524	127,772	219,524	117,593

The aggregate value of transactions and outstanding balances related to key management personnel and other related parties were as follows.

Related party	**Nature of transaction**	**Transaction values**		**Balance Receivable/(Payable)**	
		31 Dec. 2024	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
		N'000	**N'000**	**N'000**	**N'000**
Swift Painting Nigeria Limited	Supply and apply Projects	95,497	6,572	56,054	30,399
		95,497	6,572	56,054	30,399

29 Information regarding subsidiaries

29.1 Subsidiaries

Details of the Group's subsidiaries at the end of the reporting year are as follows;

Direct subsidiaries	**Principal Activity**	**Place of incorporation and operation**	**Proportion of ownership or voting power held by the Group**
			31 December, 2024
Swift Painting Nigeria Limited	Rendering of professional painting services	Nigeria	100.00%
Lewis Berger Ghana Limited	Dormant	Ghana	100.00%

Notes to the Consolidated and Separate Financial Statements

29.2 Investments in subsidiaries

In thousands of naira		**Group 31 Dec. 2024**	**Group 31 Dec. 2023**	**Company 31 Dec. 2024**	**Company 31 Dec. 2023**
Swift Painting Nigeria Limited	Rendering of professional painting			20,000	20,000
Lewis Berger Ghana Limited		-	-	-	-
		-	-	20,000	20,000

Swift Painting Nigeria Limited

Swift Painting Nigeria Limited was incorporated in 2022 as wholly owned Paints Application subsidiary of Berger Paints Nigeria Plc. The Company started operations on January 1, 2023. The Company's account has been consolidated with that of Berger Paints Nigeria Plc.

Lewis Berger Ghana Limited

The Company incorporated a subsidiary in Ghana, Lewis Berger Ghana Limited, on 23 October 2013. As at 31 December, 2023, the subsidiary have remained dormant and had not commenced operations. There is no financial information in the records of the subsidiary and as such, the subsidiary has not been consolidated.

29.3 Eliminations and Adjustments

Elimination and Adjustments relate to the following:

a. Non-current assets of N20 million is due to the elimination of investment in subsidiaries with the parent’s share of their equity.

b. Current assets of N56.054 million is due to the elimination of current inter-company payable and receivable balances.

Notes to the Consolidated and Separate Financial Statements

30 Financial instruments – Fair values and financial risk management

(a) **Classification of financial instruments and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. As at 31 December 2024, the Group did not have financial assets and liabilities measured at fair value through other comprehensive income or fair value through profit or loss.

Group

31 December 2024

			Fair value			
In thousands of naira	**Note**	**Amortized Cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value						
Other financial assets	22	446,983	-	446,983	-	446,983
Trade and other receivables	18	261,686	-	261,686	-	261,686
Cash and cash equivalents	21	238,264	-	238,264	-	238,264
		946,933	**-**	**946,933**	**-**	**946,933**
Financial liabilities not measured at fair value						
Loans and borrowings	26	293,861	-	293,861	-	293,861
Trade and other payables*	24	2,006,186	-	2,006,186	-	2,006,186
Dividend payable	27	362,757	-	362,757	-	362,757
		2,662,804	**-**	**2,662,804**	**-**	**2,662,804**

Group

31 December 2023

			Fair value			
In thousands of naira	**Note**	**Cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value						
Financial assets not measured at fair value						
Other financial assets	22	257,122	-	257,122	-	257,122
Trade and other receivables	18	297,129	-	297,129	-	297,129
Cash and cash equivalents	21	802,287	-	802,287	-	802,287
		1,356,538	**-**	**1,356,538**	**-**	**1,356,538**
Financial liabilities not measured at fair value						
Loans and borrowings	26	345,218	-	482,334	-	482,334
Trade and other payables*	24	637,143	-	637,143	-	
Dividend payable	27	382,281	-	382,281	-	
		1,364,642	**-**	**1,501,758**	**-**	**482,334**

Company

31 December 2024

			Fair value			
In thousands of naira		**Amortized Cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value						
Other financial assets	22	446,983	-	446,983	-	446,983
Trade and other receivables	18	292,109	-	292,109	-	292,109
Cash and cash equivalents	21	212,755	-	212,755	-	212,755
		951,847	**-**	**951,847**	**-**	**951,847**
Financial liabilities not measured at fair value						
Loans and borrowings	26	293,861	-	293,861	-	293,861
Trade and other payables*	24	1,992,517	-	1,992,517	-	1,992,517
Dividend payable	27	362,757	-	362,757	-	362,757
		2,649,135	**-**	**2,649,135**	**-**	**2,649,135**

Company

31 December 2023

			Fair value			
In thousands of naira		**Amortized Cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value						
Other financial assets	22	257,122	-	257,122	-	257,122
Trade and other receivables	18	310,035	-	310,035	-	310,035
Cash and cash equivalents	21	798,037	-	798,037	-	798,037
		1,365,194	**-**	**1,365,194**	**-**	**1,365,194**
Financial liabilities not measured at fair value						
Loans and borrowings	26	345,218	-	482,334	-	482,334
Trade and other payables*	24	628,045	-	628,045	-	628,045
Dividend payable	27	382,281	-	382,281	-	382,281
		1,355,544	**-**	**1,492,660**	**-**	**1,492,660**

Notes to the Consolidated and Separate Financial Statements

(a) **Classification of financial instruments and fair values (cont'd)**

*Trade and other payables excludes statutory deductions such as Value Added Tax payable, Withholding Tax payable, Pay As You Earn (PAYE) payable, Pension payable and other non-income taxes payables.

The carrying amount of financial instrument such as short term trade and other receivables, other financial asset, cash and cash equivalent, trade and other payables and dividend payable are a reasonable approximation of their fair values due to their short term maturity and the consequent insignificant impact of discounting. Hence, no further fair value information has been disclosed.

- **Financial instruments in level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise treasury bills classified as available for sale.

- **Financial instruments in level 2**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

(i) quoted market prices or dealer quotes for similar instruments;

(ii) other techniques, such as discounted cash flow analysis, sales prices of comparable properties in close proximity, are used to determine fair value for the remaining financial instruments.

Adjustment to level 2 inputs will vary depending on factors specific to the asset or liability such as the location or condition of the asset.

(b) Financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments:

● Credit risk
● Liquidity risk
● Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

(i) **Risk management framework**

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the Strategy and Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by the Internal Audit Function, outsourced to Bamidele Daramola & Co.

Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Notes to the Consolidated and Separate Financial Statements

(b) Financial risk management (cont'd)

(ii) **Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

In thousands of naira	**Group 31 Dec. 2024**	**Group 31 Dec. 2023**	**Company 31 Dec. 2024**	**Company 31 Dec. 2023**
Trade and other receivables (See (a) below)	261,235	295,357	235,604	277,864
Cash and cash equivalents (excluding cash at hand) (See (b) be	238,175	802,218	212,666	797,968
Other financial assets (See (b) below)	446,983	257,122	446,983	257,122
	946,393	1,354,697	895,253	1,332,954

(a) Trade and other receivables

In thousands of naira	**Group** 31 Dec. 2024	**Group 31 Dec. 2023**	**Company 31 Dec. 2024**	**Company 31 Dec. 2023**
Net trade and lease receivables (See a(i) below)	241,423	203,495	215,792	186,002
Deposit with Company registrar (See a(ii) below)	0	89,796	0	89,796
Staff debtors (See a(iii) below)	3,692	1,760	3,692	1,760
Other receivables (See a(iii) below)	16,120	306	16,120	306
	261,235	**295,357**	**235,604**	**277,864**

(i) Net trade and lease receivables

The Company's exposure to credit risk in respect of trade receivables is influenced mainly by the individual characteristics of each customer. The Company has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings when available, and in some cases bank references. Credit sales limits are established for each customer and are reviewed regularly. The concentration of credit risk is limited due to the large and unrelated customer base. The Company has pledged no trade receivables during the period.

The Group limits its credit risk from trade receivable by establishing a maximum payment of 30 and 60 days depending on the customer credit rating.

Concentration of risk

At 31 December 2024, the maximum exposure to credit risk for trade receivables by type of counterparty was as follows;

		Carrying amount		
In thousands of naira	**Group 31 Dec. 2024**	**Group 31 Dec. 2023**	**Company 31 Dec. 2024**	**Company 31 Dec. 2023**
Wholesale customers	70,186	55,463	70,186	55,463
Retail customers (Home owners)	28,594	39,006	28,594	21,513
Others (Corporates)	161,168	124,901	161,168	124,901
Lease receivable	89,804	89,804	89,804	89,804
	349,752	**309,174**	**349,752**	**291,681**
Impairment losses on financial assets recognised in profit or loss were as follows:				
- Impairment loss on trade receivable arising from contracts for sale of paints	19,855	21,991	19,855	21,991
- Impairment loss on investment property lease contracts	89,804	83,688	89,804	83,688
	109,659	**105,679**	**109,659**	**105,679**
Net trade and lease receivables	240,093	**203,495**	**240,093**	**186,002**

Notes to the Consolidated and Separate Financial Statements

Concentration of risk (cont'd)

The Group uses an allowance matrix to measure the expected credit loss (ECL) from trade receivables from sale of paints and rental of investment property. The exposures are calculated separately for each segment based on their common characteristics. Loss rates are calculated based on actual loss experienced over the past three years. These rates adjusted by a scalar factor to reflect differences in economic conditions during the period over which the historical data has been collected and the Group's view of economic conditions over the expected lives of the receivables. The scalar factor is based on forecasted inflation rates and industry outlook.

At 31 December 2024, the ageing of trade receivables was as follows:

Group
31 December 2024

In thousands of naira	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%	17,493	-	17,493
Past due 1–30 days	No	0%	85,178	0	85,178
Past due 31–60 days	No	0%	110	0	110
Over 61 days due	No	0%	33,361	0	33,361
			136,141	**0**	**136,141**

Company
31 December 2024

In thousands of naira	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%		-	0
Past due 1–30 days	No	0%	85,178	-	85,178
Past due 31–60 days	No	0%	110	0	110
Over 61 days due	No	0%	33,361	0	33,361
			118,649	**0**	**118,649**

31 December 2023

In thousands of naira	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%	62,624	-	62,624
Past due 1–30 days	No	8%	71,422	(756)	70,666
Past due 31–60 days	No	12%	37,225	(3,958)	33,267
Over 61 days due	Yes	56%	30,606	(17,277)	13,329.00
			201,877	**(21,991)**	**179,886**

At 31 December 2024, the ageing of lease receivables was as follows:

Group
31 December 2024

In thousands of naira	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%	6,116	-	6,116
Over 61 days due	Yes	100%	83,688	(83,688)	0
			89,804	(83,688)	6,116

Notes to the Consolidated and Separate Financial Statements

Company

31 December 2024

In thousands of naira	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%	6,116	-	6,116
Over 61 days due	Yes	100%	83,688	(83,688)	-
			89,804	(83,688)	6,116

31 December 2023

In thousands of naira	Credit impaired	Weighted average loss	Gross	Impairment	Net
Current (not past due)	No	0%	6,116		6,116
Over 61 days due	Yes	100%	83,688	(83,688)	-
			83,688	(83,688)	-

The Group does not hold collateral on these balances. The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

Movement in the allowance for impairment in respect of trade receivable during the period was as follows:

	Group	**Group**	**Company**	**Company**
	31 Dec. 2024	**31 Dec. 2023**	**31 Dec. 2024**	**31 Dec. 2023**
In thousands of naira				
Balance as at 1 January	105,679	184,030	105,679	184,030
Bad debt written off		(33,786)	0	(33,786)
(Write back)/Impairment loss of receivables	3,980	(44,566)	3,980	(44,566)
Balance as at 31 December	109,659	105,679	109,659	105,679

(ii) Deposit with Company Registrar

This represents amounts held with the Company registrar in respect of payments of declared dividends to shareholders on behalf of the Company. This represents the Company's maximum credit exposure to the financial asset. The refund of this receivable is as stipulated by the Securities Exchange Commission's set guidelines.

The Company's registrar is Meristem Registrars Limited. The Company has assessed the credit risk as low and the ECL is immaterial.

(iii) Staff debtors and other receivables

This mainly represents lease receivable in respect of rent of an insignificant portion of the Group's building propeties to third parties and receivables from employees.

These receivables are payable on demand and its contractual period is less than 12 months. The Group has assessed the counter parties to have sufficient net liquid assets and are considered to be low credit risk, hence, the expected expected credit loss is immaterial.

Consequently, the Group has not incurred impairment loss in respect of staff debtors and other receivables.

(b) Cash and cash equivalents and other financial asset:

Cash and Cash equivalents and Other financial asset as at 31 December 2024 amounting to ₦238.3 million and ₦446.9 million (2023: N802 million and ₦257 million) for the Group. ₦212.7million and N446.9million (2023: N798 million and N257million) for the company respectively which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with commercial banks with good external ratings. The Group manages the risk associated with its cash and cash equivalents by selecting banks with strong financial position and history of good performances.

Impairment on cash and cash equivalent has been measured on a 12 month expected credit loss basis and reflects the short maturities of the exposures. The Group considered that its cash and cash equivalent and other financial asset have low credit risk and the assessed ECL is not considered material.

Notes to the Consolidated and Separate Financial Statements

(iii) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. At 31 December, 2024, the expected cash flows from trade and other receivables maturing within three months from Group and Company were ₦267.4 million and ₦241.7 million (2023: N203 million and ₦186 million) respectively. This excludes potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

Group

31 December 2024		Contractual cash flows					
31 December 2024	**Carrying Amount**	**Total**	**6 months or less**	**6-12 months**	**1 – 2 years**	**2 – 5 years**	**More than 5 years**
Loans and borrowings	293,861	482,334	-	28,538	228,308	178,864	46,624
Trade and other payables*	2,006,186	2,006,186	2,006,186	-	-	-	-
Dividend payable	362,757	362,757	362,757	-	-	-	-
	2,662,804	**2,851,277**	**2,368,943**	**28,538**	**228,308**	**178,864**	**46,624**

Company

31 December 2024		Contractual cash flows					
In thousands of naira	**Carrying Amount**	**Total**	**6 months or less**	**6-12 months**	**1 – 2 years**	**2 – 5 years**	**More than 5 years**
Loans and borrowings	293,861	482,334	0	28,538	228,308	178,864	46,624
Trade and other payables*	1,992,517	1,682,684	1,682,684	0	-	-	-
Dividend payable	362,757	362,757	362,757	0	-	-	-
Lease liability							
	2,649,135	**2,527,775**	**2,045,441**	**28,538**	**228,308**	**178,864**	**46,624**

Exposure to liquidity risk (cont'd)

Company

31 December 2023		Contractual cash flows					
In thousands of naira	**Carrying Amount**	**Total**	**6 months or less**	**6-12 months**	**1 – 2 years**	**2 – 5 years**	**More than 5 years**
Loans and borrowings	345,218	482,334	0	28,538.00	228,308.00	178,864.00	46,624
Trade and other payables*	1,228,506	1,228,506	614,253	614,253	-	-	-
Dividend payable	382,281	286,711	191,141	95,570	-	-	-
	1,956,005	**1,997,551**	**805,394**	**738,361**	**228,308**	**178,864**	**46,624**

*Trade and other payables excludes statutory deductions such as non-income tax and pension payables

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Consolidated and Separate Financial Statements

(iv) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

1. ***Currency risk***

The Group is exposed to currency risk on purchases that are denominated in a currency other than the functional currency of the Group. The functional currency of the Group is primarily the Naira. The currencies in which these transactions are primarily denominated are Naira (N), Euro (€), US Dollars (US$) and Pounds Sterling (GBP). The currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate due to the changes in foreign exchange rates.

The Group's policy is to ensure that its net exposure in respect of monetary assets and liabilities denominated in foreign currencies are kept to an acceptable level. The Group monitors the movement in foreign currencies on an ongoing basis and takes appropriate actions as necessary.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk is as follows:

Group	**31 December 2024**			**31 December 2023**		
	US$	€	GBP	US$	€	GBP
Foreign currency included in cash and cash equivalents	27,829	1,940	356	72,216	973	356

Company	**30 September 2024**			**31 December 2023**		
	US$	€	GBP	US$	€	GBP
Foreign currency included in cash and cash equivalents	27,829	1,940	356	72,216	973	356

Exposure to currency risk (cont'd)

The following significant exchange rates were applied;

Group	**Average rate during the year**		**Year end spot rate**	
Naira	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
US$ 1	1541.00	899.90	1535.82	951.29
€ 1		993.10	1710.00	1052.49
GBP 1		1,144.00	2110.00	1142.79

Exposure to currency risk(cont'd)

Company	**Average rate during the year**		**Year end spot rate**	
Naira	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
US$ 1	1541.00	899.90	1485.00	951.29
€ 1		993.10	1642.71	1052.49
GBP 1		1,144.00	1783.24	1142.79

Sensitivity analysis

A reasonably possible strengthening /(weakening) of the naira against all other currencies at 31 December 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest and inflation rates, remain constant and ignores any impact of forecast purchases.

	Profit or loss	
In thousands of Naira	**Strengthening**	**Weakening**
Group and Company		
31 December 2024		
US$ (20% movement)	1,936	(1,936)
€ (20% movement)	21	(21)
GBP (20% movement)	9	(9)
Company		
31 December 2023		
US$ (20% movement)	13,740	(8,236)
€ (20% movement)	205	(205)
GBP (20% movement)	81	(81)

Notes to the Consolidated and Separate Financial Statements

2 ***Interest rate risk***

The Group and Company adopts a policy of ensuring that all its interest rate risk exposure is at fixed rate. This is achieved by entering into fixed rate instruments.

Interest rate risk comprises interest price risk that results from borrowings at fixed rates and the interest cashflow risk that results from borrowings at variable rates. The Board of Directors is responsible for setting the overall duration and interest management targets. The Company's objective is to manage its interest rate exposure through careful borrowing profiling and use of heterogeneous borrowing sources.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

Group

Fixed rate instruments	**Nominal amount**	
In thousands of naira	**31 Dec. 2024**	**31-Dec-23**
Financial liabilities:		
Short term borrowings	21,240	22,403
Long term borrowing	272,621	322,815
	293,861	345,218

Company

Fixed rate instruments	**Nominal amount**	
In thousands of naira	**31 Dec. 2024**	**31-Dec-23**
Financial liabilities:		
Short term borrowings	21,240	22,403
Long term borrowing	272,621	322,815
	293,861	345,218

Fair value sensitivity analysis for fixed rate instruments

The Group and Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The Group and Company does not have any variable rate financial assets and liabilities as at 31 December 2024 (December 2023: Nil).

(c) Capital management

The Group and Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. This is done by using a ratio of adjusted net debt to adjusted equity. Adjusted net debt has been defined as total liabilities, comprising loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group and Company's adjusted net debt to equity ratio at 31 December 2024, were as follows.

Group	**31 Dec. 2024**	**31-Dec-23**
In thousands of naira		
Total liabilities	3,750,002	3,088,667
Less: Cash and Cash equivalents	(238,264)	(802,287)
Adjusted net debt	3,511,738	2,286,380
Total Equity	3,840,157	3,507,934
Net debt to equity ratio	0.91	0.65

(c) Capital management (cont'd)

Company	**31 Dec. 2024**	**31-Dec-23**
In thousands of naira		
Total liabilities	3,737,187	3,079,569
Less: Cash and Cash equivalents	(212,755)	(798,037)
Adjusted net debt	3,524,432	2,281,532
Total Equity	3,866,400	3,531,401
Net debt to equity ratio	0.91	0.65

Notes to the Consolidated and Separate Financial Statements

31 Leases

A. Leases as Lessee (IFRS 16)

The Group and Company leases land which is for a minimum lease term of 99 years. This lease was entered into several years ago and was classified as leasehold land.

As at 31 December 2024, the Group and Company has ongoing lease arrangement for the right to use of motor vehicles, required for the replacement of aged sales field force vehicles and part of administrative/operations use. The lease expires in 2022; however, management has the intention to exercise the purchase option.

Right of use assets related to leased assets are presented as property, plant and equipment (see Note 14(f)). Interest on lease liabilities as well as the repayments of the lease has been included in loans and borrowings (see Note 26(a)).

B. Leases as Lessor

The Group and Company leases out its investment property consisting of its owned commercial properties (see Note 16).

The Group and Company has clasified these leases as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the investment property.

a. Future minimum lease payments

At as 31 December, 2024 there are no future minimum lease receivables under non cancellable lease and each of the leases are one year (2023: Nil)

In thousands of naira	Group 31 Dec. 2024	Group 31-Dec-23	Company 31 Dec. 2024	Company 31-Dec-23
Less than one year	69,942	69,942	69,942	69,942
Between one and five years	19,862	19,862	19,862	19,862
	89,804	**89,804**	**89,804**	**89,804**

b. Amounts recognised in profit or loss

Investment property lease income recognised for the year is ₦14.8 million (2023: ₦33 million) and was included in ‘Other income’ (note 6). Depreciation expense on the investment property was included in ‘Expenses’ (note 9(b)).

32 Provision of Non Audit Services

The details of non-audit services and the applicable fees paid during the period ended 31 December 2024 were:

In thousands of naira	Group 31 Dec. 2024	Group 31-Dec	Company 31 Dec. 2024	Company 31-Dec
i. Tax services	1,758	1,808	1,758	1,808
ii. Transfer pricing advisory services	1,113	1,113	1,113	1,113
iii. Attestation of Internal Control over	6,000	6,000	6,000	6,000

33 Contingencies

There is a pending litigation as at 31 December 2024 arising from the litigation case between Sowerscreed Ventures Ltd vs the Company where the Claimant has sued on the breach of the outsourced business partnership agreement between the parties. However, the Court has struck out this claim and will hear BPN's counter claim in 2025.

Notes to the Consolidated and Separate Financial Statements

34 Subsequent events

There were no other events after the reporting date that could have had a material effect on the consolidated and separate financial statements that have not been provided for or disclosed in these financial statements.

35 Operating segments

a. Basis of segmentation

The Company has three reportable segments, as described below, which are the Company's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different process and marketing strategies. For each of the strategic business units, the Company's Management Committee review internal management reports on a weekly basis. The following summary describes the operations in each of the Company's reportable segments:

Reportable segments	Operations
Paints and allied products	Manufacturing, distributing and selling of paints and allied products
Contract revenue	Rendering of painting services
Investment property rental income	Investment property rentals

The accounting policies of the reportable segments are described in Notes 4.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before taxation, as included in the internal management reports that are reviewed by the Group and Company's Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

b. Information about reportable segments

Group

Profit or loss

In thousands of naira

	Paints and allied products	Contract revenue	Investment property rental income	Unallocated	Total
31 December 2024					
External revenues	10,722,554	122,667	14,817	-	10,860,038
Finance income	-	-	-	10,326	10,326
Finance costs	-	-	-	(51,495)	(51,495)
Depreciation & amortisation	208,104	-	(20,303)	-	187,801
Writeback/ (Impairment loss) on trade receivables	-	-		-	78,351
Reportable segment profit /(loss) before taxation	862,023	99,406	(5,486)	(41,169)	914,774

b. Information about reportable segments (cont'd)

Company

Profit or loss

In thousands of naira

	Paints and allied products	Contract revenue	Investment property rental income	Unallocated	Total
31 December 2024					
External revenues	10,722,554	30,257	14,817	-	10,767,628
Finance income	-	-		10,326	10,326
Finance costs	-	-	-	(51,495)	(51,495)
Depreciation & amortisation	216,088	-	(20,303)	-	195,785
Writeback/ (Impairment loss) on trade receivables	-	-		-	78,351
Reportable segment profit /(loss) before taxation	958,515	6,996	(5,486)	(41,169)	918,856

	Paints and allied products	Contract revenue	Investment property rental income	Unallocated	Total
31 December 2023					
External revenues	7,603,703	306,478	33,315	-	7,943,496
Finance income	-	-	-	40,546	40,546
Finance costs	-	-	-	(28,419)	(28,419)
Depreciation & amortisation	(214,869)	-	(20,360)	-	(235,229)
Impairment loss on trade receivables	44,566	-		-	-
Reportable segment profit before	677,243	97,457	12,955	12,127	799,782

Assets and liabilities by reportable segments are not presented to the Chief Operating Decision Maker (Management Committee) on a regular basis. Therefore, information on segment assets and liabilities has not been presented.

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities and other material items

Revenues

There are no significant reconciling items between the reportable segment revenue and revenue for the period.

Profit or loss

	Group	Group	Company	Company
In thousands of naira	31 Dec. 2024	**31-Dec-23**	**31 Dec. 2024**	**31-Dec-23**
Total profit or loss before taxation for reportable segments	955,943	764,189	960,025	787,656
Unallocated finance income	10,326	40,546	10,326	40,546
Unallocated finance costs	(51,495)	(28,419)	(51,495)	(28,419)
Profit before taxation	914,774	776,316	918,856	799,783

Other material items

There are no significant reconciling items between other material items for the reportable segments and Company total.

Major customer

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

Other National Disclosures
Value Added Statement

For the 12 months ended 31 December 2024 *In thousands of naira*		Group			Company		Company	
	Note	**12 Mths to 31 Dec 2024**	**12 Mths to 31 Dec 2023**	%	**12 Mths to 31 Dec 2024**	%	**12 Mths to 31 Dec 2023**	%
Sales	5	10,831,911	7,968,979		10,739,501		7,910,181	
Finance Income	7	10,326	53,458		10,326		53,458	
Other income	6	119,021	83,985		119,021		83,985	
		10,961,258	8,106,422		10,868,848		8,047,624	
Bought in materials and services								
- Imported		(1,440,000)	(440,679)		(1,440,000)		(440,679)	
- Local		(7,193,047)	(5,782,420)		(7,099,323)		(5,712,028)	
Value added		2,328,211	1,883,323	100	2,329,525	100	1,894,917	100
Distribution of value added								
To Employees:								
Personnel expenses	10(a)	1,122,783	841,665	49	1,122,783	48	831,486	44
To Providers of Finance:								
Interest on loans	7	51,495	28,419	2	51,495	2	28,419	1
To Government:								
Taxation	11(a)	292,728	330,986	13	294,034	13	330,986	17
Retained in the business as:								
Depreciation	9(b)	228,410	226,046	10	225,642	10	224,352	12
Amortisation	15	10,749	10,877	1	10,749	0	10,877	1
To augment reserve		622,046	445,330	27	624,822	27	468,797	24
		2,328,211	1,883,323	102	2,329,525	100	1,894,917	100

Value added is wealth created by the efforts of the Company and its employees and its allocation between employees, shareholders, government and re-investment for the creation of future wealth.