Nascon Allied Industries Plc
Unaudited Financial Statements
for the period ended 31 March 2023

Contents

Nascon Allied Industries Plc

Unaudited Financial Statements for the interim period ended 31 March 2023

Statement of Profit or Loss and Other Comprehensive Income

	Notes	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000
Revenue	4	16,901,201	10,760,459	58,786,251
Cost of sales	6	(7,956,525)	(7,953,604)	(34,243,932)
Gross profit (loss)		**8,944,676**	**2,806,855**	**24,542,319**
Other income	7	83,220	9,796	124,293
Other operating gains (losses)	8	(1,992,746)	411,353	(794,555)
Movement in credit loss allowances	9	-	-	(16,147)
Distribution costs	10.1	(3,469,570)	(1,929,090)	(12,038,516)
Administrative expenses	10.2	(1,014,086)	(711,511)	(3,142,912)
Operating profit		**2,551,494**	**587,403**	**8,674,482**
Investment income	11	141,485	57,725	394,538
Finance costs	12	(258,672)	(76,399)	(694,829)
Profit (loss) before taxation		**2,434,307**	**568,729**	**8,374,191**
Taxation	13	(791,150)	(182,356)	(2,904,943)
Profit (loss) from continuing operations		**1,643,157**	**386,373**	**5,469,248**
Profit (loss) for the period		**1,643,157**	**386,373**	**5,469,248**
Total comprehensive income for the period		**1,643,157**	**386,373**	**5,469,248**
Earnings per share				
Per share information				
Basic and diluted earnings per share (Kobo)	15	248	58	206

The accounting policies on pages 6 to 17 and the notes on pages 18 to 38 form an integral part of the unaudited financial statements

Statement of Financial Position

	Notes	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000
Assets				
Non-Current Assets				
Property, plant and equipment	16	12,125,502	13,569,292	12,468,851
Right-of-use assets	17	3,858,156	3,799,717	3,894,704
		15,983,658	**17,369,009**	**16,363,555**
Current Assets				
Inventories	18	8,144,603	5,675,271	8,266,480
Trade and other receivables	19	13,770,772	10,679,143	11,639,953
Other financial assets	20	695,826	658,159	695,826
Other assets	21	4,677,756	369,277	5,558,747
Cash and cash equivalents	22	15,904,300	9,661,855	13,006,210
		43,193,257	**27,043,705**	**39,167,216**
Total Assets		**59,176,915**	**44,412,714**	**55,530,771**
Equity and Liabilities				
Equity				
Share capital	23	1,324,719	1,324,719	1,324,719
Share premium	24	434,037	434,037	434,037
Retained earnings	25	18,926,767	13,258,297	17,283,610
		20,685,523	**15,017,053**	**19,042,366**
Liabilities				
Non-Current Liabilities				
Borrowings	27	38,570	38,570	38,570
Lease liabilities	28	3,779,579	3,293,403	3,701,309
Retirement benefit obligation	29	125,475	136,827	133,171
Deferred tax	14	2,125,796	2,356,442	2,125,796
		6,069,420	**5,825,242**	**5,998,846**
Current Liabilities				
Trade and other payables	30	21,375,396	18,052,345	20,177,590
Borrowings	27	3,212,461	-	4,792,881
Lease liabilities	28	276,028	272,411	301,028
Contract liabilities	31	3,648,403	3,710,276	2,099,314
Current tax payable	13	3,909,684	1,535,387	3,118,746
		32,421,972	**23,570,419**	**30,489,559**
Total Liabilities		**38,491,392**	**29,395,661**	**36,488,405**
Total Equity and Liabilities		**59,176,915**	**44,412,714**	**55,530,771**

The Financial statements and the notes on pages 18 to 38, were approved by the Board of Directors on the 25 April 2023 and were signed on its behalf by:

Thabo Mabe
Managing Director
FRC/2013/IODN/00000001741

Aderemi Saka
Chief Financial Officer
FRC* "Waiver granted by FRCN"

The accounting policies on pages 6 to 17 and the notes on pages 18 to 38 form an integral part of the unaudited financial statements

Statement of Changes in Equity

	Share capital N'000	Share premium N'000	Retained income N'000	Total equity N'000
Balance at 1 January 2022	**1,324,719**	**434,037**	**12,871,924**	**14,630,680**
Profit for the period	-	-	386,373	386,373
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**386,373**	**386,373**
Balance at 31 March 2022	**1,324,719**	**434,037**	**13,258,297**	**15,017,053**
Balance at 1 January 2023	**1,324,719**	**434,037**	**17,283,610**	**19,042,366**
Profit for the period	-	-	1,643,157	1,643,157
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**1,643,157**	**1,643,157**
Dividends	-	-	-	-
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**
Balance at 31 March 2023	**1,324,719**	**434,037**	**18,926,767**	**20,685,523**

The accounting policies on pages 6 to 17 and the notes on pages 18 to 38 form an integral part of the unaudited financial statements

Statement of Cash Flows

	Notes	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000
Cash flows from operating activities				
Cash generated from operations	32	4,739,915	2,753,161	4,874,504
Tax paid	13	(213)	-	(1,369,873)
Retirement benefit obligations paid	29	(7,696)	(1,387)	(5,043)
Net cash from operating activities		**4,732,006**	**2,751,774**	**3,499,588**
Cash flows from investing activities				
Purchase of property, plant and equipment	16	(189,580)	(40,813)	(1,290,512)
Investment income	11	141,485	57,725	394,538
Net cash from investing activities		**(48,095)**	**16,912**	**(895,974)**
Cash flows from financing activities				
Borrowings	27	-	-	4,792,881
Payment of borrowings	27	(1,580,420)	-	-
Dividends paid	26	-	-	(1,057,562)
Interest paid	12	(180,401)	-	-
Payment on lease liabilities	28	(25,000)	(150,847)	(375,199)
Net cash used in financing activities		**(1,785,821)**	**(150,847)**	**3,360,120**
Total cash and cash equivalents movement for the period		**2,898,090**	**2,617,839**	**5,963,734**
Cash and cash equivalents at the beginning of the period		13,006,210	7,044,016	7,044,016
Effect of exchange rate movement on cash balances		-	-	(1,540)
Total cash and cash equivalents at end of the period	22	**15,904,300**	**9,661,855**	**13,006,210**

The accounting policies on pages 6 to 17 and the notes on pages 18 to 38 form an integral part of the unaudited financial statements

Accounting Policies

1 Corporate information

Nascon Allied Industries Plc (Formerly known as National Salt Company of Nigeria) was incorporated in Nigeria as a limited liability Company on 30 April 1973. It was fully privatised in April, 1992 and became listed on the Nigerian Stock Exchange on 20 October, 1992. At a general meeting held on 29 September 2006, the shareholders approved the acquisition of the assets, liabilities and business undertakings of Dangote Salt Limited and the issue and allotment of additional NASCON Plc shares as the purchase consideration. The major shareholder of the Company is Dangote Industries Limited that owns 62.19% of the issued share capital, while the remaining 37.81% is held by the Nigerian public.

The ultimate controlling party is Dangote Industries Limited, a Company incorporated in Nigeria.

The registered address of the Company is located at Salt City, Ijoko Ota, Ogun State.

1.1 The principal activity

The principal activities of the Company include, the processing of raw salt into refined, edible and grade salt. The Company also produces seasoning cubes. The Company’s products are sold through distributors across the country.

1.2 Financial period

The financial statements cover the financial period from January 1, 2023 to March 31, 2023 with comparatives for the period ended March 31, 2022.

1.3 Going concern status

The Company has consistently turned in Profits since 2007. The Directors believe that there is no intention or threat from any party to curtail significantly its line of business in the foreseeable future. Thus, these Unaudited Financial Statements are prepared on a going concern basis.

2. Significant accounting policies

The significant accounting policies applied in the preparation of these Unaudited Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Statement of Compliance

The Unaudited Financial Statements have been prepared in accordance with, and comply with, International Financial Reporting Standards (IFRS), International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Board (IASB), Companies and Allied Matters Act (CAMA) and Financial Reporting Council of Nigeria (FRCN) and effective at the time of preparing these financial statements.

2.2. Basis of measurement

The Unaudited Financial Statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Accounting Policies

2.2 Basis of measurement (continued)

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Functional and presentation currency

These Unaudited Financial Statements are presented in Naira, which is the Company's functional currency. All financial information presented in Naira have been rounded to the nearest thousand.

2.3.1 Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Naira, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous unaudited financial statements are recognised in profit or loss as other operating gains (losses) in the period in which they arise.

When a gain or loss on a non-monetary item is recognised in other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised in other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any foreign exchange component of that gain or loss is recognised in profit or loss as other operating gains (losses).

Cash flows arising from transactions in a foreign currency are recorded in Naira by applying to the foreign currency amount the exchange rate between the Naira and the foreign currency at the date of the cash flow.

2.4 Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable for goods or services, in the ordinary course of the Company's activities and it is stated net of value added tax (VAT), rebates and returns. A valid contract is recognised as revenue after;
- The contract is approved by the parties.
- Rights and obligations are recognised.
- Collectability is probable.
- The contract has commercial substance.
- The payment terms and considerations are identifiable.

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

Revenue is recognised when the control of the goods and services are transferred to the customer. This occurs when the goods are delivered to the customer and customer's acceptance is received or when goods are picked up by the customers. Revenue is driven by the regional spread of the Company's customer network.

Nascon Allied Industries Plc transfers control to the customer after the goods have been delivered to the customer, however, the customer obtains the right to return goods that are bad or damaged after they have been delivered.

Sales occur when the goods have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and when the customer has accepted the products in accordance with the sales contract, or the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Accounting Policies

2.4 Revenue from contracts with customers (continued)

Revenue from sale of goods is recognised based on the price specified in the contract, net of the estimated rebates and returns. Rebates are estimated at the inception of the contract except where the time lag between the recognition of revenue and granting rebates is within one month.

Returns on goods are estimated at the inception of the contract except where the timing between when the revenue is recognised and when the returns occur is considered immaterial. In these instances, the returns are accounted for when they occur. Contract liability is recognised for consideration received for which performance obligation has not been met.

Specifically, revenue from the sale of goods is recognised when goods are delivered (or collected, if sold under selfcollection terms) and legal title is passed.

2.5 Investment income

This represents interest income earned on short term placements with banks and other financial assets at amortised cost - treasury bills. Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to its gross carrying amount.

2.6 Employee benefits

Short-term employee benefits

Short term employee benefits: Wages, salaries, incentives, other contributions and paid annual leave are accrued in the period in which the associated services are rendered by employees of the Company.

Termination benefits.

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or as a result of an offer made to encourage voluntary redundancy. The expected cost of compensation is recognized as an expense in the profit or loss account when it occurs.

Retirement benefit obligations

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company’s net obligation in respect of defined benefit gratuity scheme is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior years and that benefit is discounted to determine the present value.

Defined contribution plan

The employees of the Company are members of a Defined Contribution Pension plan administered by third-party Pension Fund Administrators under the Pension Reform Act of 2014. The assets of the plan are held separately from those of the Company. The scheme is funded in accordance with the Pension Reform Act of 2014 with the employee and employer contributions representing 8% and 10% respectively of the employee’s relevant emoluments.

Accounting Policies

2.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current income tax is the expected amount of income tax payable on the taxable profit for the year determined in accordance with the companies Income Tax Act (CITA) using statutory tax rates at the reporting sheet date. Education tax is assessed at 2.5% of the assessable profits as defined by the tertiary Education Tax Act.

Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred tax are recognised in Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are recognised in other comprehensive income or directly in equity respectively. Where current tax and deferred tax arise from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.8 Property, plant and equipment

2.8.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Assets under construction are disclosed as capital work-in-progress. 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.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of the equipment.

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

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

2.8.2 Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized 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 derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Accounting Policies

2.8 Property, plant and equipment (continued)

2.8.3 Depreciation

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

Depreciation is recognized 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 in which case the assets are depreciated over the useful life.

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

Freehold land	Nil
Buildings	50 years
Tools and equipment	4 years
Plant and machinery	15 years
Furniture and fittings	5 years
Motor vehicles	4 years
Computer equipment	3 years

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

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

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees capitalised and determined to be directly required to bring the asset to the location and condition for intended use and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

2.8.4 Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Accounting Policies

2.9 Leases

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

– the contract involves the use of an identified asset. This may be specified explicitly or implicitly. If the supplier has a substantive substitution right, then the asset is not identified;

– the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

– the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

– the Company has the right to operate the asset; or

– the Company designed the asset in a way that predetermines how and for what purpose it will be used.

The Company's leases include land, buildings (residential apartments) and warehouses. The lease terms are typically for fixed periods ranging from 2- 20 years but may have extension options as described below. On renewal of a lease, the terms may be renegotiated.

Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and non-lease components and instead account for these as a single lease component. Lease terms are negotiated on an individual basis and contain different terms and conditions, including extension and termination options. The lease agreements do not impose any covenants, however, leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

Lease liability

At the commencement date of a lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease liabilities include the net present value of the following lease payments:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Company under residual value guarantees;
- the exercise price of purchase options, if the Company is reasonably certain to exercise the option;
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

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

The lease payments are discounted using the Company's incremental borrowing rate (IBR) as the rate implicit in the lease cannot be readily determined. The IBR represents the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company has adopted its approved rate of securing funds at 9%.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset where applicable.

2.9 Leases (continued)

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Short-term lease and leases of low-value assets

Short-term leases are those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Low-value assets are assets that have values less than N1,800,000 when new, and depends on the nature of the asset, e.g., small equipment. Lease payments on short-term leases and leases of low-value assets would be recognised as expenses in profit or loss on a straight-line basis over the lease term.

Extension and termination options

Extension and termination options are included in the Company's lease arrangements. These are used to maximise operational flexibility in terms of managing the assets used in the Company’s operations. Most of the extension options are subject to mutual agreement by the lessee and lessor and the termination options held are exercisable only by the lessee and the lessor.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials, packaging materials, work in progress, oil and lubricants, engineering spares and consumable stock is determined on a weighted average basis. Cost of finished goods is determined on the basis of standard costs adjusted for variances. Standard costs are periodically reviewed to approximate actual costs.

Goods in transit are valued at the invoice price. Cost of inventories comprises of all costs of purchase, conversion cost (materials, labour and overhead) and other costs incurred to bring inventories to their present location and condition. Finished goods, which include direct labour and factory overheads, are valued at standard cost adjusted at year-end on an actual cost basis.

Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on an average cost basis.

2.11 Provisions and contingencies

Provisions are recognised when:

- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount recognised as provision is the present value of the expenditure expected to be required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Where some or all of the expenditure required to settle a provision is expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

If the Company has a contract that is onerous, the present obligation under the contract shall be recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Accounting Policies

2.11 Provisions and contingencies (continued)

Contingent liabilities

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

2.12 Financial instruments

Financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Company as applicable, are as follows:

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments).

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to liabilities which are held for trading).

Note 33 Financial instruments and risk management presents the financial instruments held by the Company based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Company are presented below:

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a currently legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in event of default, insolvency or bankruptcy of the Company or the counterparty.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 19).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

Accounting Policies

2.12 Financial instruments (continued)

Recognition and measurement

Trade and other receivables are recognised when the Company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Measurement and recognition of expected credit losses

Nascon Allied Industries Plc applies the simplified approach or the three-stage general approach to determine impairment of receivables depending on their respective nature. The simplified approach is applied for trade receivables while the general approach is applied to other receivables and cash and bank balances. The Company applies a simplified approach in calculating ECLs on its trade receivables by recognizing a loss allowance that is based on the lifetime ECLs at each reporting date using the provision matrix. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The three-stage approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion and other qualitative indicators such as increase in political concerns or other macroeconomic factors and the risk of legal action, sanction or other regulatory penalties that may impair future financial performance. Financial assets classified as stage 1 have their ECL measured as a proportion of their lifetime ECL that results from possible default events that can occur within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

Under the three-stage approach, the ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each exposure. The PD is based on default rates determined by external rating agencies for the counterparties. The LGD is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable and assessing the portion of the outstanding receivable that is deemed to be irrecoverable at the reporting period. The EAD is the total amount of outstanding receivable at the reporting period. These three components are multiplied together and adjusted for forward looking information, such as the Gross Domestic Product (GDP) in Nigeria, Brent oil price, and inflation rate, to arrive at an ECL which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

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

Write off policy

The Company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in the trade and other receivables note (note 19) and the financial instruments and risk management note (note 33).

Derecognition

Refer to note 2.12.1 section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables are included in profit or loss in the derecognition gains (losses) on financial assets at amortised cost line item.

Accounting Policies

2.12 Financial instruments (continued)

Trade and other payables

Classification

Trade and other payables (note 30), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (Note 12).

Trade and other payables expose the Company to liquidity risk and possibly to interest rate risk. Refer to note 33 for details of risk exposure and management thereof.

Derecognition

Refer to note 2.12.1 section of the accounting policy for the policies and processes related to derecognition.

Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand, cash balances with banks and fixed deposits with maturities of three months or less. Cash and cash equivalents are stated at carrying amounts which are deemed to be at fair value.

Cash and cash equivalents are repayable on demand; hence no impairment was determined for cash and cash equivalents. Due to the liquid nature of cash and cash equivalents, the management believes that the ECL on them will be immaterial for recognition.

2.12.1 Derecognition

Financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, are recognised in profit or loss.

Accounting Policies

2.12 Financial instruments (continued)

Reclassification

Financial assets

The Company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

2.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until the asset is ready for its intended use.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.14 Government grants

Government grants are recognised when there is reasonable assurance that:
- the Company will comply with the conditions attached to them; and
- the grants will be received.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised as income in the period in which it becomes receivable.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

2.15 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the Company in which they are declared.

2.16 Earnings per share

The Company presents Basic Earnings Per Share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for effects of all dilutive potential ordinary shares.

Accounting Policies

3 Critical accounting judgement and key sources of estimation uncertainty

In the application of the Company's significant accounting policies, described in Note 2, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3.1.1 Impairment testing

The recoverable amounts of the tomato paste plant would be determined based on the higher of value-in-use calculations and fair value less costs to sell. These calculations require the use of estimates, assumptions and inputs such as market information, monetary indices and condition of the assets. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of the tomato paste plant.

3.1.2 Useful lives of property, plant and equipment

The Company reviewed and revised the estimated useful lives of its property, plant and equipment on transition to IFRS on 1 January, 2011, and under IFRS, has reviewed them annually at each reporting date. Useful lives are estimated based on the engineer's report, as at each reporting date. Some of the factors considered include the current service potential of the assets, potential cost of repairs and maintenance.

There is a degree of subjective judgment in such estimation which has a resultant impact on profit and total comprehensive income for the year.

3.1.3 Allowances for credit losses

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

3.1.4 Measurement of lease liabilities

The application of IFRS 16 requires the directors to make judgements that affect the measurement of lease liabilities. These include identifying the contract tenure, determining the terms of the fixed and variable lease payments, accounting for contract modifications and determining the discount rate to be applied to historic leases.

The Company has applied judgement to determine the lease tenure for those lease contracts that include a renewal or termination option. The assessment of whether the Company is reasonably certain to exercise a renewal option or reasonably certain not to exercise a termination option significantly impacts the value of lease liabilities recognized on the balance sheet. Where an extension option exists, the Company recognizes this as part of the lease liability as invariably this is exercised. The Company also revised some lease liabilities when the lease term was modified. This required exercise of judgement in accounting for changes in contract terms. Estimates are also required to determine the appropriate discount rate used to measure lease liabilities.

3.1.5 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. In determining the timing and level of future taxable profits together with future tax planning strategies, Management assessed the probability of expected future taxable profits based on expected revenues for the next five years. Details of the Company's recognised and unrecognised deferred tax assets and liabilities are as disclosed in Note 14.

Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000

4. Revenue

Revenue from contracts with customers			
Sale of goods	16,901,201	10,760,459	58,786,251

Revenue is recognised at a point in time

5. Segmental information

The Company has identified period reportable segments which represent the structure used by the Management to make key operating decisions and assess performance.

The Company's reportable segments are treated as operating segments which are differentiated by the activities that each undertakes, the products they manufacture and the markets they operate in.

Segmental revenue and results

The Management assesses the performance of the operating segments based on the measure of gross profit. This measure excludes the effects of non-recurring expenditure from the operating segments. The measure also excludes the effects of unrealised gains/losses on financial instruments. Interest income and expenditure are not allocated to operating segments, as this type of activity is driven by the central treasury function. This measure is consistent with all prior periods which are presented.

Geographical information

East	1,009,441	767,269	3,477,803
West	3,756,284	2,783,450	14,199,742
North	12,135,476	7,209,740	41,108,706
	16,901,201	**10,760,459**	**58,786,251**

6. Cost of sales

Raw materials consumed	6,890,712	7,165,515	30,451,330
Employee costs	321,927	210,583	978,799
Depreciation of property, plant and equipment	156,127	166,378	661,949
Depreciation of right of use assets	35,893	36,776	145,520
Manufacturing expenses	551,866	374,352	2,006,334
	7,956,525	**7,953,604**	**34,243,932**

7. Other income

Sale of scrap	83,220	8,903	93,038
Insurance claim	-	893	14,711
Rental income	-	-	16,544
	83,220	**9,796**	**124,293**

Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000
8. Other operating gains (losses)			
Gains (losses) on disposals, scrappings and settlements			
Property, plant and equipment	-	-	(425,857)
Foreign exchange gains (losses)			
Net foreign exchange gains	(1,992,746)	411,353	(368,698)
Total other operating gains (losses)	**(1,992,746)**	**411,353**	**(794,555)**
9. Movement in credit loss allowances			
Impairment writeback/(charge) on trade receivables (Note 19)	-	-	(24,058)
Impairment (charge)/writeback on intercompany receivables (Note 19)	-	-	10,331
Impairment (charge)/writeback on staff loans (Note 19)	-	-	(2,420)
	-	**-**	**(16,147)**
10. Operating expenses			
10.1 Distribution cost			
Market activation	123,181	73,348	339,636
Branding expenses	149,956	35,726	252,375
Delivery expenses	2,916,069	1,569,179	10,301,959
Depreciation of trucks	280,364	250,837	1,144,546
	3,469,570	**1,929,090**	**12,038,516**

Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000

10. Operating expenses (continued)

10.2 Administrative expenses

Management fees	49,257	32,070	130,602
Auditors remuneration	7,187	6,668	26,000
Bank charges	17,533	9,336	49,089
Cleaning	22,150	10,044	43,862
Consulting and professional fees	74,792	24,126	85,403
Depreciation of property, plant and equipment	96,438	117,750	442,938
Depreciation of right of use assets	654	1,433	4,341
Directors remuneration	45,066	56,110	153,253
Employee costs	447,208	296,891	1,402,535
Entertainment	17,471	11,101	37,672
Business development	7,572	3,776	77,950
Insurance	17,322	15,463	51,591
Petrol and oil	8,813	6,219	24,710
Printing and stationery	9,236	1,876	32,567
Repairs and maintenance	10,138	13,666	67,221
Secretarial fees	22,388	14,985	67,891
Security	20,865	17,765	61,555
Staff welfare	30,318	24,840	115,398
Telephone and fax	45,708	23,354	103,844
Travel - local	63,970	22,984	163,554
Travel - overseas	-	1,054	936
	1,014,086	**711,511**	**3,142,912**

11. Investment income

Interest income on bank balances	1	1,153	136
Interest income on short term fixed deposit	141,484	56,572	394,402
Total investment income	**141,485**	**57,725**	**394,538**

12. Finance costs

Interest on borrowings	180,401	-	126,714
Interest on lease liabilities	78,271	76,399	568,115
	258,672	**76,399**	**694,829**

Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000

13. Taxation

Major components of the tax expense

Current			
Local income tax	730,292	170,959	2,815,691
Education tax	60,858	11,397	294,237
Police Trust Fund Levy	-	-	419
Adjustments recognised in the current year in relation to tax of prior year	-	-	25,241
	791,150	**182,356**	**3,135,588**
Deferred			
In respect of current year	-	-	(230,645)
	-	**-**	**(230,645)**

Split between current and deferred tax

Current tax	791,150	182,356	3,135,588
Deferred tax	-	-	(230,645)
	791,150	**182,356**	**2,904,943**

The charge for taxation in these unaudited financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2004 and the Education Tax Act CAP E4, LFN 2004. Company tax and education tax are calculated at 30% and 2.5% respectively of the estimated taxable profit for the year while Police Trust Fund levy is charged at 0.005% of profit before tax. The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

Current tax liabilities in the statement of financial position

	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000
Current tax payable			
1 January	3,118,746	1,353,031	1,353,031
Charge for the year	791,150	182,356	3,135,588
Payment during the year	(212)	-	(1,369,873)
At end of period	**3,909,684**	**1,535,387**	**3,118,746**

Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000

14. Deferred tax

Deferred tax liability

Property plant and equipment	(2,377,142)	(2,356,442)	(2,377,142)
Allowance for doubtful debt	104,656	-	104,656
Unrealised exchange difference	111,702	-	111,702
IFRS 16 Leases	34,988	-	34,988
Total deferred tax liability	**(2,125,796)**	**(2,356,442)**	**(2,125,796)**

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Split between assets and liabilities

Deferred tax liability	(2,356,442)	(2,457,489)	(2,356,442)
Deferred tax assets	230,646	101,047	230,646
	(2,125,796)	**(2,356,442)**	**(2,125,796)**

15. Earnings per share

Basic earnings per share **From continuing operations (kobo per share)**	248	58	206
Reconciliation of earnings			
Profit or loss for the year attributable to equity holders	1,643,157	386,373	5,469,248
Weighted average number of ordinary shares as at 31 March 2023 ('000)	2,649,438	2,649,438	2,649,438

The Company has no potentially dilutive shares. Accordingly, The basic EPS and diluted EPS have the same values.

Notes to the Unaudited Financial Statements

16. Property, plant and equipment

Reconciliation of property, plant and equipment

	Freehold Land N'000	Buildings N'000	Tools and equipment N'000	Plant and machinery N'000	Furniture and fittings N'000	Motor vehicles N'000	Computer equipment N'000	Capital - Work in progress N'000	Total N'000
Cost									
At January 1, 2022	70,000	3,688,692	783,496	9,463,663	374,691	9,431,049	243,098	600,580	24,655,269
Additions	-	116,961	57,455	29,563	8,892	1,014,946	13,128	49,567	1,290,512
Disposals and scrappings	-	(1,000)	(234,243)	(673,685)	(2,355)	(2,041,612)	(32,846)	(267,815)	(3,253,556)
Reclassifications	-	10,873	47,729	-	-	-	-	(58,602)	-
Adjustments	-	-	-	-	-	-	-	(209,816)	(209,816)
At 31 December 2022	**70,000**	**3,815,526**	**654,437**	**8,819,541**	**381,228**	**8,404,383**	**223,380**	**113,914**	**22,482,409**
Additions	-	408	-	4,900	3,215	-	18,934	162,123	189,580
Disposals and scrappings	-	-	-	-	-	(60,348)	-	-	(60,348)
Reclassifications	-	113,914	-	-	-	-	-	(113,914)	-
At 31 March 2023	**70,000**	**3,929,848**	**654,437**	**8,824,441**	**384,443**	**8,344,035**	**242,314**	**162,123**	**22,611,641**
Depreciation									
At January 1, 2022	-	(225,267)	(552,264)	(2,794,948)	(132,725)	(6,755,126)	(131,495)	-	(10,591,825)
Disposals and scrappings	-	260	210,905	577,076	2,355	2,004,783	32,321	-	2,827,700
Depreciation	-	(73,972)	(114,589)	(587,977)	(65,194)	(1,355,962)	(51,739)	-	(2,249,433)
At 31 December 2022	**-**	**(298,979)**	**(455,948)**	**(2,805,849)**	**(195,564)**	**(6,106,305)**	**(150,913)**	**-**	**(10,013,558)**
Disposals	-	-	-	-	-	60,348	-	-	60,348
Depreciation	-	(19,261)	(21,488)	(136,865)	(16,167)	(325,353)	(13,795)	-	(532,929)
At 31 March 2023	**-**	**(318,240)**	**(477,436)**	**(2,942,714)**	**(211,731)**	**(6,371,310)**	**(164,708)**	**-**	**(10,486,139)**
Carrying amount									
Cost	70,000	3,815,526	654,437	8,819,541	381,228	8,404,383	223,380	113,914	22,482,409
Accumulated depreciation	-	(298,979)	(455,948)	(2,805,849)	(195,564)	(6,106,305)	(150,913)	-	(10,013,558)
At 31 December 2022	**70,000**	**3,516,547**	**198,489**	**6,013,692**	**185,664**	**2,298,078**	**72,467**	**113,914**	**12,468,851**
Cost	70,000	3,929,848	654,437	8,824,441	384,443	8,344,035	242,314	162,123	22,611,641
Accumulated depreciation	-	(318,240)	(477,436)	(2,942,714)	(211,731)	(6,371,310)	(164,708)	-	(10,486,139)
At 31 March 2023	**70,000**	**3,611,608**	**177,001**	**5,881,727**	**172,712**	**1,972,725**	**77,606**	**162,123**	**12,125,502**

Notes to the Unaudited Financial Statements

16. Property, plant and equipment (continued)

16.1 Capital Work-in-progress

Work-in-progress comprises amounts expended on construction of factory roof at Salt Village plant.

16.2 Adjustments to capital work-in-progress

No adjustment charged to profit or loss in the current period. The adjustment in 2022 represents lease interest expenses charged to profit or loss in the period.

16.3 **Asset pledged as securit**y

None of the Company's assets were pledged as security for any liabilities as at March 31, 2023 (2022:Nil).

16.4 Impairment Assessment

Included in property, plant and equipment are assets related to tomato paste plant with carrying values of N99.2 million as at March 31, 2023. The plant did not operate optimally during the year. The Directors considered these to be indicators of impairment. The tomato paste plant was subjected to impairment assessments using the forced sale model as at 31 December 2022. The recoverable amounts of N223.3 million exceeded the carrying value. There was no impairment gain or loss recognised as at March 31, 2023 (2022:Nil).

Notes to the Unaudited Financial Statements

17. **Right of Use Assets**

Right of Use Asset

	Land N'000	Buildings N'000	Total N'000
Cost			
At 1 January 2022	3,243,011	1,131,269	4,374,280
Modifications	-	206,639	206,639
At 31 December 2022	**3,243,011**	**1,337,908**	**4,580,919**
1 January 2023	3,243,011	1,337,908	4,580,919
Additions	-	-	-
At 31 March 2023	**3,243,011**	**1,337,908**	**4,580,919**
Depreciation			
At 1 January 2022	-	(536,354)	(536,354)
Depreciation	-	(149,861)	(149,861)
At 31 December 2022	**-**	**(686,215)**	**(686,215)**
At 1 January 2023	-	(686,215)	(686,215)
Depreciation	-	(36,548)	(36,548)
At 31 March 2023	**-**	**(722,763)**	**(722,763)**
Carrying amount			
Cost	3,243,011	1,337,908	4,580,919
Accumulated depreciation	-	(686,215)	(686,215)
At 31 December 2022	**3,243,011**	**651,693**	**3,894,704**
Cost	3,243,011	1,337,908	4,580,919
Accumulated depreciation	-	(722,763)	(722,763)
At 31 March 2023	**3,243,011**	**615,145**	**3,858,156**

Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000

18. Inventories

Raw materials	4,745,960	2,941,817	5,045,226
Work-in-progress	7,959	21,451	1,401
Finished goods	946,897	581,866	1,161,010
Spare parts and consumables	1,047,751	734,257	915,669
Oil and lubricants	387,530	170,345	203,790
Packaging materials	1,008,506	1,225,535	939,384
	8,144,603	**5,675,271**	**8,266,480**

During the year, there were no inventory written down/reversal to net realisable value (2022: Nil).

The cost of inventories recognised as an expense during the year in respect of continuing operations was N6.891 billion (2022: N7.166 billion).

18.1 Inventory pledged as security

No inventory was pledged as security for any liability (2022: Nil).

19. Trade and other receivables

Financial instruments:			
Trade receivables	908,297	737,566	979,246
Trade receivables - related parties (Note 35.1)	11,616,839	9,223,985	10,267,037
Loss allowance	(143,706)	(129,979)	(143,706)
Trade receivables at amortised cost	12,381,430	9,831,572	11,102,577
Employee loans and advances	359,695	223,735	49,027
Loss allowance	(2,686)	(265)	(2,686)
Advances to suppliers	722,883	288,078	186,464
Interest receivables	309,450	336,023	304,571
Non-financial instruments:			
Total trade and other receivables	**13,770,772**	**10,679,143**	**11,639,953**

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	13,770,772	10,679,143	11,639,953
Non-financial instruments	-	-	-
	13,770,772	**10,679,143**	**11,639,953**

Exposure to credit risk

Trade receivables inherently expose the Company to credit risk, being the risk that the Company will incur financial loss if customers fail to make payments as they fall due.

Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000

19. Trade and other receivables (continued)
Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and other receivables:

Opening balance	(146,392)	(130,244)	(130,244)
Provision (raised)/reversed on new related party receivables	-	-	10,331
Provisions reversed/(raised) on settled trade receivables	-	-	(24,058)
Provision (raised)/reversed on new staff loan	-	-	(2,421)
	(146,392)	**(130,244)**	**(146,392)**

The reconciliation of gross carrying amount for the Company is as follows:

Gross carrying amount as at 1 January	11,246,283	9,267,151	9,267,151
Revenue from third parties	16,901,201	10,760,459	58,786,251
Receipts from third parties	(16,868,660)	(10,476,154)	(59,557,117)
Rebates receivable from related party	1,246,312	410,095	2,749,998
Rebates received from related party	-	-	-
Gross carrying amount	**12,525,136**	**9,961,551**	**11,246,283**

20. **Other financial assets**

Securities held at amortised cost			
Fixed deposit	695,826	658,159	695,826

The fixed deposit balance represents the aggregate amount of dividends that remained unclaimed after 15 months or more which the Registrars returned to the Company in line with current regulations invested with Meristem Wealth Management Limited.

21. Other assets

Prepayments:			
Rent prepaid	-	5,114	-
Insurance prepaid	-	27,586	8,437
Prepayment - other	-	-	2,864
Deposit for import	4,638,332	226,729	5,500,635
Promotional items	39,424	109,848	46,811
	4,677,756	**369,277**	**5,558,747**

22. Cash and cash equivalents

Cash and cash equivalents consist of:			
Cash on hand	1,956	1,291	1,553
Bank balances	15,902,344	9,660,564	13,004,657
	15,904,300	**9,661,855**	**13,006,210**

Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000
22. Cash and cash equivalents (continued)			
Split between assets and liabilities			
Current assets	15,904,300	9,661,855	13,006,210
23. Share capital			
Authorised, issued and fully paid			
2,649,438,378 ordinary shares of 50k each	1,324,719	1,324,719	1,324,719
24. Share premium			
Issued			
Share premium	434,037	434,037	434,037
25. Retained earnings			
Opening balance	17,283,610	12,871,924	12,871,924
Profit for the year	1,643,157	386,373	5,469,248
Dividend declared and paid	-	-	(1,057,562)
	18,926,767	**13,258,297**	**17,283,610**

At the Annual General Meeting held on 3rd June 2022, the shareholders approved that dividend of 40 kobo amounting to N1.060 billion be paid to shareholders for the year ended 31 December 2021. The dividend approved was fully paid on 6th June, 2022.

26. Dividend payable			
At 1 January	-	-	-
Dividend declared	-	-	1,057,562
Payments- Meristem Registers	-	-	(1,057,562)
	-	**-**	**-**
27. **Borrowings**			
At 1 January	4,831,451	38,570	38,570
Loan obtained during the year	-	-	4,792,881
Loan repayment	(1,580,420)	-	-
	3,251,031	**38,570**	**4,831,451**

Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000

27. Borrowings (continued)

Split between non-current and current portions

Non-current liabilities	38,570	38,570	38,570
Current liabilities	3,212,461	-	4,792,881
	3,251,031	**38,570**	**4,831,451**

At the time of privatisation in 1992, the debt owed the Federal Government of Nigeria by the Company (N38.570 million) was restructured by the Bureau for Public Enterprise. This is a non interest bearing loan. The Board of Directors have taken steps to obtain a waiver of the loan from the Federal Government of Nigeria and currently awaiting a response.

In the current year, the Company had a Usance facility with Zenith Bank Plc at a of rate of 13.6% per annum . The value of the borrowing was based on drawdown of the facility.

28. Lease liabilities

Lease liabilities	**Land N'000**	**Building N'000**	**Total N'000**
Opening balance as at 1 January 2023	3,352,108	650,229	4,002,337
Interest expenses	69,040	9,231	78,271
Payments made during the year	(25,000)	-	(25,000)
Balance 31 March 2023	**3,396,148**	**659,460**	**4,055,608**
Lease liabilities			
Current	238,901	37,127	276,028
Non-current	3,397,721	381,859	3,779,580
	3,636,622	**418,986**	**4,055,608**

Lease liabilities	**Land N'000**	**Building N'000**	**Total N'000**
Opening balance as at 1 January 2022	2,999,706	640,556	3,640,262
Interest expenses	299,338	51,539	350,877
Payments made during the year	(333,333)	(41,866)	(375,199)
Modification	386,397	-	386,397
Balance 31 December 2022	**3,352,108**	**650,229**	**4,002,337**
Lease liabilities			
Current	263,901	37,127	301,028
Non-current	3,328,681	372,628	3,701,309
	3,592,582	**409,755**	**4,002,337**

Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000
29. Retirement benefits			
Movement in gratuity			
At beginning of the period	133,171	138,214	138,214
Benefit paid	(7,696)	(1,387)	(5,043)
	125,475	**136,827**	**133,171**

The entity was operating a defined benefit plan for its permanent Nigerian staff, the benefits under which are related to employees' length of service and final remuneration.

However, the Board resolved to eliminate the scheme effective January, 2013. The valuation of the liabilities is as of that date. The balance as at March 31, 2023 represents what is owed to staff who are still in the service from the old scheme.

As at March 31, 2023 no fund has been set up from which payments can be disbursed.

Defined contribution plan

The employees of the Company are members of a Defined Contribution Pension plan administered by third-party Pension Fund Administrators under the Pension Reform Act of 2014. The assets of the plan are held separately from those of the Company. The scheme is funded in accordance with the Pension Reform Act of 2014 with the employee and employer contribution representing 8% and 10% respectively of the employee's relevant emoluments effective July 2014.

Staff pension

At beginning of the period	-	-	-
Contributions during the year	63,233	46,355	197,842
Remittance in the year	(63,205)	(46,277)	(197,842)
	28	**78**	**-**

The only obligation of the Company with respect to the pension scheme is to make the specified contributions. The total expense recognised in profit or loss of N35.17 million (2022: N25.79 million) represents contributions payable to this plan by the Company as at March 31, 2023.

30. Trade and other payables

Financial instruments:			
Trade payables	2,745,641	1,832,136	2,908,115
Amounts due to related parties (Note 35.1)	15,254,826	14,622,284	14,591,605
Unclaimed dividend	645,826	758,159	695,826
Accrued audit fees	6,937	6,563	26,000
Other accrued expenses	2,593,716	690,015	1,786,387
Other payables	46,495	29,287	31,926
Staff pension	28	78	-
Non-financial instruments			
Value added tax	49,986	57,629	98,006
Withholding tax payable	31,941	56,194	39,725
	21,375,396	**18,052,345**	**20,177,590**

Notes to the Unaudited Financial Statements

	Note	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000

30. Trade and other payables (continued)

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days. For most suppliers, no interest is charged on the trade payables. The Directors consider that the carrying amount of trade payables approximates to the fair value.

31. Contract liabilities

Summary of contract liabilities				
Advance payment from customers		3,648,403	3,710,276	2,099,314

32. Cash generated from operations

Profit before taxation		2,434,307	568,729	8,374,191
Adjustments for:				
Depreciation of property, plant and equipment	16	532,929	534,965	2,249,433
Depreciation of right of use asset	17	36,548	38,209	149,861
Losses (gains) on disposals of property, plant and equipment	8	-	-	425,857
Lease modification		-	-	(218,010)
Unrealised exchange gain		-	-	1,540
Interest income	11	(141,485)	(57,725)	(394,538)
Finance costs	12	258,672	76,399	694,829
Impairment (reversal) for credit losses	9	-	-	16,147
PPE Adjustment	16	-	-	209,816
Inventories	18	121,877	(1,383,697)	(3,974,906)
Trade and other receivables	19	(2,130,819)	(885,041)	(1,845,851)
Other assets	21	880,991	462,900	(4,726,570)
Trade and other payables	30	1,197,806	3,962,359	6,087,604
Contract liabilities	31	1,549,089	(563,937)	(2,174,899)
Cash generated from operations		**4,739,915**	**2,753,161**	**4,874,504**

Notes to the Unaudited Financial Statements

33. Financial instruments and risk management

33.1 Capital risk management

The capital structure of the Company consists of net debt (which includes the borrowings disclosed in (Note 28), offset by cash and bank balances and equity attributable to equity holders, comprising issued capital, reserves and retained earnings as disclosed in relevant notes in the financial statements. The Company monitors its capital structure to ensure that the target debt equity ratio as stated in its debt covenants is not exceeded. The Company is not subject to any externally imposed capital requirements.

	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 3 Months ended 31 December 2022 N'000
Borrowings	3,251,031	38,570	4,831,451
Lease liabilities	4,055,607	3,565,814	4,002,337
Trade and other payables	21,375,396	18,052,345	20,177,590
Total debts	**28,682,034**	**21,656,729**	**29,011,378**
Cash and cash equivalents	(15,904,300)	(9,661,855)	(13,006,210)
Net debts	**12,777,734**	**11,994,874**	**16,005,168**
Equity	21,835,675	15,017,052	19,042,361
Gearing ratio	59 %	80 %	84 %

33.2 Financial risk management

Risk management roles and responsibilities are assigned to stakeholders in the Company at three levels: The Board, Executive Committee and Line Managers.

The Board oversight is performed by the Board of Directors through the Establishment and General Purpose and Finance, Risk and Audit Committees.

The second level is performed by the Executive Management Committee (EXCO).

The third level is performed by all line managers under EXCO and their direct reports. They are required to comply with all risk policies and procedures and to manage risk exposures that arise from daily operations.

The Internal Audit Department provides an independent assurance of the risk framework. They assess compliance with established controls and recommendations for improvement in processes are escalated to relevant management, Audit Committee and Board of Directors.

The Company monitors and manages financial risks relating to its operations through an internal risk report which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Notes to the Unaudited Financial Statements

33.3 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparty and obtaining sufficient collateral where appropriate (bank guarantee and insurance bonds), as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available, and if not available, the Company uses other publicly available financial information, customers' financial position, past trading relationship, its own trading records and other factors to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management team periodically.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and where appropriate, credit guarantee insurance cover is purchased.

About 90% (2021: 89%) of the trade receivables are due from Bulk Commodities Limited, a related party, for rebate on purchase of Salt. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are otherwise diverse including both corporate entities and lots of individual end users. The requirement for impairment is analyzed at each reporting date on an individual basis for corporate and individual customers.

33.4 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the statement of financial position date. The contractual maturity is based on the earliest date on which the Company may be required to pay.

31 March 2023

Figures in Naira thousand		0-3 months N'000	3-6 months N'000	6-12 months N'000	Over 1 year N'000	Total N'000	Carrying amount N'000
Non-current liabilities							
Borrowings	27	-	-	-	38,570	38,570	38,570
Lease liabilities	28	-	-	-	3,779,579	3,779,579	3,779,579
Current liabilities							
Trade and other payables	28	9,561,212	4,224,088	3,815,697	3,774,398	21,375,395	21,375,396
Lease liabilities	28	14,028	92,333	169,667	-	276,028	276,028
Total financial liabilities		**9,575,240**	**4,316,421**	**3,985,364**	**7,592,547**	**25,469,572**	**25,469,573**

Notes to the Unaudited Financial Statements

31 December 2022

Figures in Naira thousand		0-3 months N'000	3-6 months N'000	6-12 months N'000	Over 1 year N'000	Total N'000	Carrying amount N'000
Borrowings	27	-	-	-	38,570	38,570	38,570
Lease liabilities	28	-	-	-	3,701,309	3,701,309	3,701,309
Trade and other payables	30	8,654,341	2,066,770	5,623,516	3,695,232	20,039,859	20,039,859
Borrowings	27	4,792,881	-	-	-	4,792,881	4,792,881
Lease liabilities	28	39,028	92,333	169,667	-	301,028	301,028
Total financial liabilities		**13,486,250**	**2,159,103**	**5,793,183**	**7,435,111**	**28,873,647**	**28,873,647**

33.5 Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company is mainly exposed to USD. It monitors the movement in currency rates on an ongoing basis to mitigate the risk that the movements in the exchange rates may adversely affect the Company's income or value of their holdings of financial instruments.

33.6 Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with its corporate treasury policy that spells out counterparty limits, list of financial institutions that the Company deals with and the maximum tenure of fixed term funds. Surplus funds are spread amongst these institutions and funds must be within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Corporate Treasurer periodically and may be updated throughout the year. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through the potential counterparty's failure.

34. Fair value information of financial instruments

Fair valuation of financial assets and liabilities

As detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

	Book value		Fair value	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Financial assets				
Trade and other receivables	13,770,772	10,679,143	13,770,772	10,679,143
Cash and bank	15,904,300	9,661,855	15,904,300	9,661,855
Financial liabilities				
Trade and other payables	21,375,396	18,052,345	21,375,396	18,052,345
Borrowings	4,831,451	38,570	4,831,451	38,570

Notes to the Unaudited Financial Statements

35. Related parties

35.1 Related party balances

	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000
Other related party receivables			
Dangote Cement Plc (Benue Plant)	900	7,200	7,200
Dangote Sugar Refinery	109,726	-	-
Bluestar Shipping Line Limited	-	5,739	-
Dancom Technologies Limited	64	-	-
West African Popular Foods*	62,243	62,243	62,243
Bulk Commodities Limited	11,443,906	9,148,803	10,197,594
	11,616,839	**9,223,985**	**10,267,037**
Intercompany payables			
Dangote Industries Limited (Parent)	1,872,382	1,520,723	997,552
Other related party payables			
Dangote Sugar Refinery	-	153,374	67,527
Dancom Technologies Limited	-	2,787	11,623
Greenview Development Nigeria Limited	181,263	47,682	911
Bluestar Shipping Line Limited	10,587	-	1,316
Dangote Cement Plc. (Obajana Plant)	24,178	24,195	24,195
Aliko Dangote Foundation	3,089	11,238	818
Dangote Packaging Limited	105,693	451,078	216,388
Dangote Industries Limited (Central Stores)	102,277	68,251	102,277
Dangote Cement Plc (Head Office)	2,530,458	3,074,737	1,729,192
Dangote Oil Refining Company Limited	-	231,740	217,030
Dangote Cement Plc. (Benue Plant)	77,602	77,602	77,602
Dangote Cement Plc. (Benue Plant Truck scheme)	219,311	219,311	219,311
Dangote Cement Plc. (Ibese Plant)	-	7,248	10,990
Dangote Sinotruck West Africa Limited	-	514,563	-
Bulk Commodities Limited	10,127,986	8,217,755	10,914,873
	15,254,826	**14,622,284**	**14,591,605**

*The balance due from West African Popular Foods has been fully impaired.

35. Related parties (continued)

Relationships	
Dangote Cement Plc, Gboko Plant	Fellow subsidiary, provides trucks for the Company
Bulk Commodities Limited	Affiliate, purchases raw salt for the Company
Dangote Industries Limited (Central Stores)	Fellow subsidiary, the Company purchases spare parts
Dancom Technologies Limited	Fellow subsidiary, provides internet services and IT support for the Company
Dangote Packaging Limited	Fellow subsidiary, produces empty sacks for the Company
Dangote Cement Plc	Fellow subsidiary, buys Crude Salt from the Company and procures trucks on behalf of the Company
Aliko Dangote Foundation	Affiliate, engages in philanthropy
Dangote Industries Limited	Ultimate controlling party
Bluestar Shipping Line Limited	Fellow subsidiary, provide clearing services for the the Company
Dangote Oil Refining Company Limited	Affiliate, the Company purchases equipment
Dangote Sugar Refinery Plc.	Fellow subsidiary, buys crude salt from the Company and provides warehouse facility to the Company
Dangote Transport Limited	Fellow subsidiary, provides haulage services to the Company
Dangote Sinotruk West Africa Limited	Fellow subsidiary, the Company purchases trucks and spare parts
Greenview Development Nigeria Limited	Fellow subsidiary, provides port and terminal services to the Company
Dangote Cement Plc, (Obajana Plant)	Fellow subsidiary, the Company provides haulage services
West African Popular Foods	Joint venture with Unilever, purchased and sold Annapurna Salt

Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 31 March 2023 N'000	Reviewed 3 Months ended 31 March 2022 N'000	Audited 12 Months ended 31 December 2022 N'000
36. Loans to directors, managers and employees			
Short-term employee benefits	45,066	56,110	153,253
	45,066	**56,110**	**153,253**
Directors fees and expenses			
Directors fees	1,375	1,375	5,500
Directors expenses	43,691	54,735	147,753
	45,066	**56,110**	**153,253**

Key management personnel are Board of directors and management team

The number of Directors with gross emoluments within the bands stated below were N'000:	**Number**	**Number**	**Number**
N1 - N15,000	10	10	7
N15,001 — N30,000	-	-	2
N30,001 — and above	-	-	1
	10	**10**	**10**

37. **Employee costs**

Average number of persons employed during the period

	Number	**Number**	**Number**
Management	66	64	65
Senior staff	221	198	213
Junior staff	351	316	312
	638	**578**	**590**

The table shows the number of employees (excluding directors) whose earnings during the period fell within the ranges shown below:

	Number	**Number**	**Number**
N1 - N5,000	632	576	536
N5,001 - N10,000	6	2	38
N10,001 - N15,000	-	-	10
N15,001 - N20,000	-	-	6
	638	**578**	**590**

Notes to the Unaudited Financial Statements

38. Commitments

The Company's total capital commitments as at March 31, 2023 amounted to N162.12 million in respect of factory roof at Salt Village plant (2022: N113.91 million).

39. Contingent assets and Contingent liabilities

39.1 Pending litigation and claims.

There are certain lawsuits and claims pending against the Company in various courts of law which are being handled by external legal counsels. The contingent liabilities in respect of pending litigation and claims amounted to N13.0 million as at March 31, 2023 (2022 - N13.0 million). In the opinion of the Directors and based on independent legal advice, the Company is not expected to suffer any material loss arising from these claims, thus no provision has been made in these financial statements.

39.2 Financial commitments

The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the state of affairs of the Company, have been taken into consideration in the preparation of these financial statements.

40. Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Nascon Allied Industries Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.

41. Approval of Unaudited financial statements

The Board approved the unaudited financial statements during its meeting of 25 April, 2023.