



FrieslandCampina WAMCO Nigeria PLC

FrieslandCampina WAMCO Nigeria PLC

**Unaudited Interim Financial Statements
For the second quarter (six months) ended 30 June 2023**

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Statement of Financial Position
As at 30 June 2023

In thousands of naira

	Note	30 June 2023	31 December 2022
Assets			
Non-current assets			
Property plant and equipment	7a	49,727,741	50,464,977
Right of use assets	7b	268,532	274,875
Intangible assets	8	2,033,001	2,103,341
Biological assets		27,010	27,010
Deferred tax assets		6,448,709	-
		58,504,993	52,870,203
Current assets			
Inventories	9	73,065,797	86,288,551
Trade and other receivables	10	38,775,665	32,203,291
Prepayments	12b	150,126,796	117,756,962
Derivative assets		30,523,270	2,562,612
Cash and cash equivalents	11	8,069,280	19,913,684
		300,560,808	258,725,100
Total assets		359,065,801	311,595,303
Equity			
Issued capital		976,336	976,336
Share premium		350,211	350,211
Retained earnings		11,209,825	28,546,220
		12,536,372	29,872,767
Liabilities			
Non-current liabilities			
Employee benefits	14	1,648,997	1,469,460
Deferred tax liabilities		-	6,882,056
Loans and borrowings	15	4,670,736	4,670,736
Government grant	17	760,129	760,129
Lease liabilities	19	85,757	85,757
		7,165,619	13,868,138
Current liabilities			
Trade and other payables	13	211,270,881	168,559,845
Current tax liabilities		6,752,199	4,498,517
Derivative liabilities		-	1,351,099
Loans and borrowings	16	121,176,457	93,280,664
Government grant	17	164,220	164,220
Lease liabilities	19	53	53
Total current liabilities		339,363,810	267,854,398
Total liabilities		346,529,429	281,722,536
Total equity and liabilities		359,065,801	311,595,303

The notes on pages 8 to 13 are integral part of this financial statement

Statement of Profit or Loss and Other Comprehensive Income
For six months ended 30 June 2023

	Note	Quarter to date 30 June 2023	Quarter to date 30 June 2022	Year to date 30 June 2023	Year to date 30 June 2022
<i>In thousands of naira</i>					
Revenue	6(a)	78,260,004	88,328,464	157,202,389	170,705,339
Cost of Sales		(63,176,621)	(73,671,489)	(129,337,562)	(144,046,569)
Gross Profit		15,083,383	14,656,975	27,864,827	26,658,770
Selling and Distribution Expenses		(5,666,266)	(5,489,361)	(12,610,807)	(11,274,178)
Administrative Expenses		(1,634,486)	(1,418,495)	(3,141,650)	(2,683,295)
Other (cost) / Income	6(b)	(4,514,520)	-	(18,623,839)	-
Operating Profit/(Loss)		3,268,113	7,749,119	(6,511,469)	12,701,297
Finance Income		38,605	164,014	67,179	554,286
Finance Expenses		(6,350,242)	(1,458,626)	(11,009,773)	(1,896,159)
Profit/(Loss) Before Taxation		(3,043,524)	6,454,507	(17,454,063)	11,359,424
Income tax (expense)/benefit		1,733,722	(2,362,896)	5,838,997	(4,405,874)
Profit/(Loss) for the period		(1,309,802)	4,091,611	(11,615,066)	6,953,550
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement gain on defined benefit obligations		-	-	-	-
Income tax on other comprehensive income		-	-	-	-
Other comprehensive income for the period, net of income tax					
Total comprehensive income/(expense) for the period		(1,309,802)	4,091,611	(11,615,066)	6,953,550
Profit/(Loss) for the period is attributable to:					
Owners of the Company		(1,309,802)	4,091,611	(11,615,066)	6,953,550
Total comprehensive income/(expense) for the period is attributable to:		(1,309,802)	4,091,611	(11,615,066)	6,953,550
Owners of the Company					
Earnings per share					
Basic and diluted earnings per share (naira)		-0.67	4.19	-5.95	7.12

The notes on pages 8 to 13 are integral part of this financial statement

Statement of Changes in equity

For six months ended 30 June 2023

In thousands of naira

	Share capital	Share premium	Retained earnings	Total equity
Balance at 1 January 2023	976,336	350,211	28,546,220	29,872,767
Profit/(Loss) for the period	-	-	(11,615,066)	(11,615,066)
Other Comprehensive income				
Defined benefit plan actuarial gain, net of tax	-	-	-	-
Total comprehensive income/(expense) for the period	-	-	(11,615,066)	(11,615,066)
Transactions with owners, recorded directly in equity				
Dividends	-	-	(5,721,329)	(5,721,329)
Balance as at 30 June 2023	976,336	350,211	11,209,825	12,536,372

Balance at 1 January 2022	488,168	350,211	25,495,777	26,334,156
Profit/(Loss) for the period	-	-	6,953,550	6,953,550
Other Comprehensive income				
Defined benefit plan actuarial gain, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	6,953,550	6,953,550
Transactions with owners, recorded directly in equity				
Dividends	-	-	(4,129,901)	(4,129,901)
Balance as at 30 June 2022	488,168	350,211	28,319,426	29,157,805

The notes on pages 8 to 13 are integral part of this financial statement

Statement of Cash Flows

For six months ended 30 June 2023

<i>In thousands of naira</i>	Note	6 Months to 30 June 2023	6 Months to 30 June 2022
Cash flows from operating activities			
Profit/(Loss) before tax		(17,454,063)	11,359,424
Adjustments for:			
Depreciation	7(a)	2,793,576	2,391,925
Amortisation of intangible assets	8	70,340	70,339
Amortization of right of use assets	7(b)	32,143	23,812
Long service award expense		163,735	131,523
Other post employment benefit expense		28,396	29,493
Unrealised fair value change in derivatives		(29,311,757)	162,010
Foreign exchange loss		33,485,908	(648,194)
Interest Income		(67,179)	(554,286)
Interest expense		7,834,501	1,463,589
		<u>(2,424,400)</u>	<u>14,429,635</u>
Change in working capital:			
Inventories	9	13,222,754	(24,188,999)
Trade and other receivables	10	(6,572,373)	(12,529,835)
Prepayments	12	(32,369,834)	(21,342,667)
Trade and other payables	13	42,711,036	49,118,541
Cash generated from operating activities		<u>14,567,183</u>	<u>5,486,675</u>
Income tax paid		(5,238,087)	(9,642,182)
Long service award benefits paid		(12,593)	(4,655)
Net cash flow from operating activities		<u>9,316,503</u>	<u>(4,160,162)</u>
Cash flow from investing activities			
Finance income		67,179	554,286
Acquisition of right of use assets		(25,800)	-
Acquisition of property, plant and equipment	7(a)	(2,056,339)	(3,120,171)
Net cash used in investing activities		<u>(2,014,960)</u>	<u>(2,565,885)</u>
Cash flow from financing activities			
Interest paid		(7,834,501)	(1,463,589)
Dividends paid		(5,721,329)	(1,539,355)
Repayment of loans and borrowings		(18,985,411)	(844,880)
Proceeds from loans and borrowings		12,407,811	-
Net cash used in financing activities		<u>(20,133,430)</u>	<u>(3,847,824)</u>
Net increase in cash and cash equivalents		(12,831,887)	(10,573,871)
Exchange Diff on Cash		987,483	11,234
Cash and cash equivalent at 1 January		19,913,684	54,484,924
Cash and cash equivalent at 31 March		<u>8,069,280</u>	<u>43,922,287</u>

The notes on pages 8 to 13 are integral part of this financial statement

Q2 2023 Report Commentaries

FrieslandCampina WAMCO Nigeria PLC, makers of premium milk brands has released its Q2 2023 results amidst difficult economic challenges such as significant Naira devaluation in June 2023 coupled with continued inflationary pressures leading to significant volume loss.

In Q2 2023, the Company repaid the balance of its foreign currency denominated trade obligations which had been outstanding since 2020 due to scarcity of foreign currency. This backlog payment has resulted in an exceptional foreign currency expense of N4.5 billion (Q1 N14.1 billion; total N18.6 billion).

Finance Expenses of N6.4 billion in Q2 are driven by increased interest costs relating to short term working capital financing and by an expense of net N3.2 billion relating to revaluation expenses of foreign currency denominated loans following devaluation of the Naira in Q2, offset by benefits from financial (hedge) instruments.

Positive operating results have been affected by exceptional foreign currency and finance expenses in Q2, bringing the result for the second quarter to N-1.3 billion (Q2 2022: N4.1 billion).

Consequently and taking into account the first quarter results, the Company foresees that the results for the year will be impacted, as we do not expect a full recovery of these exceptional foreign currency and finance expenses in this financial year.

However, it is important to note that the underlying performance is strong in line with prior year and the Company is confident that it will continue to consistently deliver positive operational results with its high quality brands and investments to grow capacity in Nigeria.

In its recent financial year performance (2022), the company performed well with solid results and declared a dividend payment to its shareholders after approval at the Annual General Meeting held in May 2023.

Notes to the Financial Statements

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Notes to the financial statements

1 Reporting Entity

FrieslandCampina WAMCO Nigeria Plc ("the Company") is a company domiciled in Nigeria. The address of the Company's registered office is Plot 7b Acme road, Ikeja Industrial Estate, Ogba, Lagos. The Company was incorporated in Nigeria as a private limited liability company on 17 April 1973, commenced operations on 13 September 1975 and became a public limited liability company in 1978. The company is principally engaged in the manufacturing and marketing of evaporated milk, instant milk powder, ready to drink beverages and other dairy based products.

2 Basis of Preparation

(a) Statement of compliance

These interim financial statements for the three months ended 30 June 2023 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim financial statements should be read in conjunction with the annual financial statement for the year ended 31 December 2022, which have been prepared in accordance with IFRS.

(b) 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.

3 Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

a Foreign currency transactions

Transactions denominated in foreign currencies are recognized in the entity's functional currency at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange differences arising on the settlement of monetary assets and liabilities are recognised in profit or loss in the period which they arise.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the 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 not re-translated.

b Financial instruments

The company's accounting policies were changed to comply with IFRS 9. IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting.

c Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Costs includes expenditure that is directly attributable to the acquisition of the assets. Items of property, plant and equipment under construction are disclosed as assets under construction.

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 recognised net within other income in profit or loss.

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.

d Related parties

Related parties include the holding company and other group entities' Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company are also considered to be related parties. 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.

4 Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

5 Financial risk management and financial instruments

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Notes to the financial statements

Risk management framework

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

The Company’s risk management policies are established to identify and analyse the risks faced by the Company, 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 Company’s activities. The Company, 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 Audit Committee oversees how management monitors compliance with the Company’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company also has an Internal Audit department that undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported on a regular basis.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company’s receivable from customers, cash and cash equivalents and derivative assets.

Exposure to credit risk

The Company has no significant concentration of credit risk, with exposure spread over a large number of parties. Cash and cash equivalents are placed with banks and financial institutions which are regulated.

The carrying amount of financial assets represents the maximum credit exposure.

Financial assets at amortised cost

Management has credit policies in place and the exposure to credit risk is monitored on an ongoing basis. Under the credit policies all customers requiring credit over a certain amount are reviewed and new customers are analysed individually for creditworthiness before the Company’s standard payment and delivery terms and conditions are offered. The Company’s credit assessment process may include specified cash deposits by new customers. Credit limits are established for qualifying customers and these limits are reviewed regularly by the credit control unit. Customers that fail to meet the Company’s benchmark creditworthiness may transact with the Company only on a prepayment basis.

The credit control unit is charged with the review of each customer’s credit limit in line with the customers’ performance in the preceding period and perceived risk factor assigned to the customer.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a key distributor or retail distributor, geographic location, and existence of previous financial difficulties. Trade and other receivables relate mainly to the Company’s wholesale and retail customers.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, customers with outstanding amounts but have not placed orders or traded for a prolonged period of time (usually one year) and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company’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, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation.

The Company 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 succeeding 30 days. The Company also monitors the level of expected cash inflows on cash customers and trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Where required, the company may utilise related party funding facilities to manage liquidity risk.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates 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 the return.

6(a) Revenue from contract with customers

Analysis of revenue from sale of goods by geographical area is as follows:

	2023 ₦’000	2022 ₦’000
Local	156,042,579	169,685,418
Export	1,159,810	1,019,921
	<u>157,202,389</u>	<u>170,705,339</u>

6(b) Other (costs)/income

In the first half of 2023, the Company repaid part of its foreign currency denominated trade obligations that due to scarcity of foreign currency have been outstanding since 2020. This backlog payment has resulted in an exceptional foreign currency expense of N18.6b (Q1 N14.1b; Q2 N4.5b), in addition to increased interest costs at N4b related to short term working capital financing, bringing the result to N-11.6billion (Q2 2022: N7billion).

Consequently, the Company foresees that the results for the year will be impacted, as we do not expect a full recovery of this significant exceptional expense in this financial year.

However, it is important to note that the underlying performance is strong in line with prior year and the Company is confident that it will continue to consistently deliver strong operational results with its high quality brands and investments to grow capacity in Nigeria.

7 Property, plant and equipment

7(a) The movement for the year is as follows:

Notes	Land	Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fittings and Tools	Assets under construction	
<i>In thousands of naira</i>							
Cost							
Balance at 1 January 2022	3,757,967	12,883,888	34,986,332	5,452,689	3,604,672	8,538,446	69,223,994
Additions	-	-	-	-	-	7,093,277	7,093,277
Transfers	-	1,045,708	4,277,154	1,525,561	155,322	(7,003,744)	-
Disposals	-	-	(285,521)	(315,146)	(10,136)	-	(610,803)
Balance at 31 December 2022	<u>3,757,967</u>	<u>13,929,596</u>	<u>38,977,965</u>	<u>6,663,104</u>	<u>3,749,858</u>	<u>8,627,979</u>	<u>75,706,469</u>
Balance at 1 January 2023	3,757,967	13,929,596	38,977,965	6,663,104	3,749,858	8,627,979	75,706,469
Additions	-	-	-	-	-	2,056,339	2,056,339
Transfers	-	460,497	2,798,197	20,459	166,970	(3,446,122)	-
Balance at 30 June 2023	<u>3,757,967</u>	<u>14,390,093</u>	<u>41,776,162</u>	<u>6,683,563</u>	<u>3,916,828</u>	<u>7,238,196</u>	<u>77,762,808</u>
Depreciation							
Balance at 1 January 2022	687,618	3,576,329	11,453,049	3,438,802	1,543,175	-	20,698,973
Depreciation for the year	93,024	701,235	2,612,819	1,010,902	485,099	-	4,903,079
Disposals	-	-	(254,439)	(309,395)	(9,384)	-	(573,218)
Impairment	-	166,749	43,714	2,194	-	-	212,657
Balance at 31 December 2022	<u>780,642</u>	<u>4,444,313</u>	<u>13,855,143</u>	<u>4,142,503</u>	<u>2,018,890</u>	<u>-</u>	<u>25,241,491</u>
Balance at 1 January 2023	780,642	4,444,313	13,855,143	4,142,503	2,018,890	-	25,241,491
Depreciation for the year	28,703	386,665	1,624,317	516,202	237,689	-	2,793,576
Balance at 30 June 2023	<u>809,345</u>	<u>4,830,978</u>	<u>15,479,460</u>	<u>4,658,705</u>	<u>2,256,579</u>	<u>-</u>	<u>28,035,067</u>
Carrying amounts							
At 31 December 2022	<u>2,977,325</u>	<u>9,485,283</u>	<u>25,122,822</u>	<u>2,520,601</u>	<u>1,730,968</u>	<u>8,627,979</u>	<u>50,464,978</u>
At 30 June 2023	<u>2,948,622</u>	<u>9,559,115</u>	<u>26,296,702</u>	<u>2,024,858</u>	<u>1,660,248</u>	<u>7,238,196</u>	<u>49,727,741</u>

7(b) Right of use assets

The movement in right of use assets for the year was as follows:

In thousands of naira

	Warehouse	Land	Total
Cost			
Balance at 1 January 2022	244,566	63,494	308,060
Additions	104,000	-	104,000
Balance at 31 December 2022	<u>348,566</u>	<u>63,494</u>	<u>412,060</u>
Balance at 1 January 2023	348,566	63,494	412,060
Additions	25,800	-	25,800
Balance at 30 June 2023	<u>374,366</u>	<u>63,494</u>	<u>437,860</u>
Depreciation and impairment losses			
Balance at 1 January 2022	91,943	-	91,943
Depreciation for the year	43,655	1,587	45,242
Balance at 31 December 2022	<u>135,598</u>	<u>1,587</u>	<u>137,185</u>
Balance at 1 January 2023	135,598	1,587	137,185
Depreciation for the year	32,143	-	32,143
Balance at 30 June 2023	<u>167,741</u>	<u>1,587</u>	<u>169,328</u>
Carrying amounts			
At 1 January 2023	<u>212,968</u>	<u>61,907</u>	<u>274,875</u>
At 30 June 2023	<u>206,625</u>	<u>61,907</u>	<u>268,532</u>

Right of use asset includes N62million which is as a result of the accounting for lease of Bobi grazing reserve in Niger State

7(c) Biological assets

The movement in Biological assets for the year was as follows:

In thousands of naira

	2023	2022
Cost		
Balance at 1 January 2022	27,010	277,339
Additions	-	-
Impairment	-	(250,329)
Balance at 31 December 2022	<u>27,010</u>	<u>27,010</u>
Balance at 1 January 2023	27,010	27,010
Additions	-	-
Balance at 30 June	<u>27,010</u>	<u>27,010</u>
Current		
Current	-	-
Non current		
Non current	<u>27,010</u>	<u>27,010</u>
	<u>27,010</u>	<u>27,010</u>

Biological assets include seeds/crops such as Guinea grass and Congo grass, as well as cattle which are located in Bobi grazing reserve in Niger state. The seeds/crops are harvested to feed the cattle.

Notes to the financial statements

8 Intangible assets

The movement for the year is as follows:

<i>In thousands of naira</i>	Software	Goodwill	
Cost			
Balance at 1 January 2022	802,877	1,783,506	2,586,383
Additions	-	-	-
Balance at 31 December 2022	<u>802,877</u>	<u>1,783,506</u>	<u>2,586,383</u>
Balance at 1 January 2023	802,877	1,783,506	2,586,383
Additions	-	-	-
Balance at 30 June 2023	<u>802,877</u>	<u>1,783,506</u>	<u>2,586,383</u>
Amortization and Impairment			
Balance at 1 January 2022	342,363	-	342,363
Amortisation for the year	140,679	-	140,679
Balance at 31 December 2022	<u>483,042</u>	<u>-</u>	<u>483,042</u>
Balance at 1 January 2023	483,042	-	483,042
Amortisation for the year	70,340	-	70,340
Balance at 30 June 2023	<u>553,382</u>	<u>-</u>	<u>553,382</u>
Carrying amounts			
At 31 December 2022	<u>319,835</u>	<u>1,783,506</u>	<u>2,103,341</u>
At 30 June 2023	<u>249,495</u>	<u>1,783,506</u>	<u>2,033,001</u>

9 Inventories

<i>In thousands of naira</i>	2023	2022
Raw materials& Packaging	39,527,379	53,216,413
Finished products	9,475,871	7,363,358
Goods in transit	19,177,637	21,780,722
Spare parts and tools	4,884,910	3,928,058
	<u>73,065,797</u>	<u>86,288,551</u>

10 Trade and other receivables

<i>In thousands of naira</i>	2023	2022
Trade receivables	19,520,209	16,223,820
Due from related parties	1,622,023	383,138
Other Receivables	17,353,576	15,316,476
Insurance claim receivable	279,857	279,857
	<u>38,775,665</u>	<u>32,203,291</u>

11 Cash and cash equivalents

<i>In thousands of naira</i>	2023	2022
Cash and bank balances	7,345,895	12,558,129
Short term deposits*	723,385	7,355,555
Cash and cash equivalents	<u>8,069,280</u>	<u>19,913,684</u>

*Short term deposits includes N529 million which is unclaimed dividend investment in fixed deposit.

12 Prepayments and accrued Income

<i>In thousands of naira</i>	2023	2022
Prepaid Expenses	1,018,636	559,788
Deposits for imports	149,108,160	117,197,174
	<u>150,126,796</u>	<u>117,756,962</u>

13 Trade and other payables

<i>In thousands of naira</i>	2023	2022
Trade Payables	13,089,907	14,432,097
Other payables and accruals	22,172,903	9,498,724
Contract liabilities*	2,613,485	1,597,432
Amount Due to related party	169,373,930	142,314,818
Dividend payable	4,020,656	716,774
	<u>211,270,881</u>	<u>168,559,845</u>

*Contract liabilities represent deposits received from customers for goods not yet delivered.

14 Employee benefits

<i>In thousands of naira</i>	2023	2022
Long service award benefits obligation	1,398,333	1,247,192
Other post employment benefits	250,664	222,268
	<u>1,648,997</u>	<u>1,469,460</u>

15 Non-Current loans and borrowings

<i>In thousands of naira</i>	2023	2022
CBN loan	4,670,736	4,670,736
	<u>4,670,736</u>	<u>4,670,736</u>

Notes to the financial statements

16 Current Loans and borrowings

<i>In thousands of naira</i>	2023	2022
Short Term Finance	32,400,000	40,000,000
Intercompany loan	88,776,457	53,280,664
	<u>121,176,457</u>	<u>93,280,664</u>

17 Government grants

<i>In thousands of naira</i>	2023	2022
Opening balance	924,349	1,088,569
Addition	-	-
Amortisation	-	(164,220)
Closing balance	<u>924,349</u>	<u>924,349</u>
Non current	760,129	760,129
Current	164,220	164,220
	<u>924,349</u>	<u>924,349</u>

18 Dividend Payables

<i>In thousands of naira</i>	2023	2022
Bal b/f	716,774	5,436,109
Dividend declared	5,721,329	4,129,901
Unclaimed dividend received from First Registrar	12,802	82,054
Unclaimed dividend returned to First Registrar	(200,719)	-
Payment	(1,841,552)	(8,721,246)
Withholding tax on foreign dividend payable	(387,978)	(210,044)
	<u>4,020,656</u>	<u>716,774</u>

Dividend payable includes unclaimed dividend of N0.53billion (2022: N0.63billion) and N3.5billion (2022: N7.4billion) payable to foreign shareholders

19 Lease Liabilities

<i>In thousands of naira</i>	2023	2022
Opening balance	85,810	73,813
Addition	-	-
Lease modification	-	-
Interest expense	-	11,997
Closing balance	<u>85,810</u>	<u>85,810</u>
Current	53	53
Non current	85,757	85,757
	<u>85,810</u>	<u>85,810</u>