



FrieslandCampina WAMCO Nigeria PLC

FrieslandCampina WAMCO Nigeria PLC

**Unaudited Interim Financial Statements
For the third quarter (nine months) ended 30 September 2024**

Contents	Page
Condensed Statement of Financial Position	3
Condensed Statement of Profit or Loss and Other Comprehensive Income	4
Condensed Statement of Changes in Equity	5
Condensed Statement of Cash Flows	6
Q1 2024 Report Commentaries	7
Notes to the Condensed Financial Statements	8

Statement of Financial Position
As at 30 September 2024

In thousands of Naira

	Note	30 September 2024	31 December 2023
Assets			
Non-current assets			
Property plant and equipment	7a	52,085,957	50,688,687
Right of use assets	7b	194,325	237,897
Biological assets	7c	359,687	130,241
Intangible assets	8	1,857,151	1,962,661
Deferred tax assets		-	-
		54,497,120	53,019,486
Current assets			
Inventories	9	105,062,647	49,870,578
Trade and other receivables	10	21,658,872	17,579,577
Derivative assets	11	-	79,152,452
Prepayments	12	270,787,920	142,694,292
Cash and cash equivalents	13	6,807,444	11,433,857
		404,316,883	300,730,756
Total assets		458,814,003	353,750,242
Equity			
Issued capital		976,336	976,336
Share premium		350,211	350,211
Retained earnings		(2,307,590)	(288,715)
		(981,043)	1,037,832
Liabilities			
Non-current liabilities			
Employee benefits	14	1,995,569	1,661,786
Deferred tax liabilities		728,859	1,030,055
Loans and borrowings	15a	4,589,101	4,589,101
Government grant	16	252,979	252,979
Lease liabilities	18	87,970	87,970
		7,654,478	7,621,891
Current liabilities			
Trade and other payables	17	269,208,659	212,025,264
Current tax liabilities		1,752,147	1,662,144
Derivative liabilities	11	46,279,215	-
Loans and borrowings	15b	134,700,000	131,202,564
Government grant	16	188,760	188,760
Lease liabilities	18	11,787	11,787
Total current liabilities		452,140,568	345,090,519
Total liabilities		459,795,046	352,712,410
Total equity and liabilities		458,814,003	353,750,242

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

Statement of Profit or Loss and Other Comprehensive Income
For nine months ended 30 September 2024

	Note	Quarter to date 30 September 2024	Quarter to date 30 September 2023	Year to date 30 September 2024	Year to date 30 September 2023
<i>In thousands of Naira</i>					
Revenue	6(a)	121,938,934	73,120,980	350,429,391	230,323,370
Cost of Sales		(100,472,208)	(53,567,175)	(294,672,244)	(182,904,737)
Gross Profit		21,466,725	19,553,806	55,757,147	47,418,633
Selling and Distribution Expenses		(5,992,543)	(6,212,107)	(17,972,294)	(18,822,914)
Administrative Expenses		(2,920,863)	(1,752,436)	(8,169,761)	(4,689,147)
Net Impairment losses on financial assets		(177,651)	(139,793)	(329,819)	(344,731)
Other (cost) / Income	6(b)	-	-	-	(18,623,839)
Operating Profit/(Loss)		12,375,668	11,449,470	29,285,272	4,938,002
Finance income		47,609	29,008	116,506	96,187
Finance costs	6(c)	(11,229,810)	(4,823,645)	(30,108,796)	(15,833,418)
Profit/(Loss) Before Taxation		1,193,466	6,654,833	(707,018)	(10,799,229)
Income tax (expense)/benefit		(1,446,023)	(3,209,907)	(1,311,857)	2,629,090
Profit/(Loss) for the period		(252,557)	3,444,926	(2,018,875)	(8,170,139)
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		(252,557)	3,444,926	(2,018,875)	(8,170,139)
Profit/(Loss) for the period is attributable to:					
Owners of the Company		(252,557)	3,444,926	(2,018,875)	(8,170,139)
Total comprehensive income/(expense) for the period is attributable to:		(252,557)	3,444,926	(2,018,875)	(8,170,139)
Earnings per share					
Basic and diluted earnings per share (Naira)		-0.13	1.76	-1.03	-4.18

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

Statement of Changes in equity

For nine months ended 30 September 2024

In thousands of Naira

	Share capital	Share premium	Retained earnings	Total equity
Balance at 1 January 2024	976,336	350,211	-288,715	1,037,832
Profit/(Loss) for the period	-	-	(2,018,875)	(2,018,875)
Other Comprehensive income				
Defined benefit plan actuarial (loss)/gain, net of tax	-	-	-	-
Total comprehensive income/(expense) for the period	-	-	(2,018,875)	(2,018,875)
Transactions with owners, recorded directly in equity				
Dividends	-	-	-	-
Balance as at 30 September 2024	976,336	350,211	(2,307,590)	(981,043)

Balance at 1 January 2023	976,336	350,211	28,546,220	29,872,767
Profit/(Loss) for the period	-	-	(8,170,139)	(8,170,139)
Other Comprehensive income				
Defined benefit plan actuarial (loss)/gain, net of tax	-	-	-	-
Total comprehensive income for the period	-	-	(8,170,139)	(8,170,139)
Transactions with owners, recorded directly in equity				
Dividends	-	-	(5,721,329)	(5,721,329)
Balance as at 30 September 2023	976,336	350,211	14,654,752	15,981,299

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

Statement of Cashflows

For nine months ended 30 September 2024

<i>In thousands of Naira</i>	Note	9 Months to 30 September 2024	9 Months to 30 September 2023
Cash flows from operating activities			
Profit/(Loss) before tax		(707,018)	(10,799,230)
Adjustments for:			
Depreciation	7(a)	4,248,783	4,175,790
Depreciation of right of use assets	7(b)	43,572	46,667
Amortisation of intangible assets	8	105,510	105,510
Long service award expense		242,684	240,801
Other post employment benefit expense		91,099	42,593
Unrealised fair value change in derivatives		46,279,215	(30,773,489)
Foreign exchange loss		78,954,813	35,656,307
Interest Income		(116,505)	(96,187)
Interest expense		20,352,404	11,942,727
(Gain)/loss on disposal of property, plant and equipment	7(a)	-	344
		<u>149,494,557</u>	<u>10,541,833</u>
Change in working capital:			
Inventories	9	(55,192,069)	22,553,739
Trade and other receivables	10	(4,079,295)	(3,303,409)
Prepayments	12	(128,093,628)	(16,998,406)
Trade and other payables	17	57,183,395	47,707,454
Cash generated from operating activities		<u>19,312,960</u>	<u>60,501,212</u>
Income tax paid		(1,523,049)	(5,238,087)
Long service award benefits paid		-	(27,014)
Net cash flow from operating activities		<u>17,789,911</u>	<u>55,236,111</u>
Cash flow from investing activities			
Interest received		116,505	96,187
Acquisition of right of use assets		-	(25,800)
Acquisition of biological assets		(229,446)	(215,799)
Acquisition of property, plant and equipment	7(a)	(5,646,052)	(3,343,867)
Net cash used in investing activities		<u>(5,758,993)</u>	<u>(3,489,279)</u>
Cash flow from financing activities			
Interest paid		(12,048,041)	(11,942,727)
Dividends paid		-	(5,721,329)
Repayment of loans and borrowings		(169,944,514)	(51,385,411)
Proceeds from loans and borrowings		165,137,587	15,028,460
Net cash used in financing activities		<u>(16,854,968)</u>	<u>(54,021,006)</u>
Net increase in cash and cash equivalents		(4,824,050)	(2,274,174)
Exchange Diff on Cash		197,637	994,239
Cash and cash equivalent at 1 January		11,433,857	19,913,684
Cash and cash equivalent at 30 September		<u>6,807,444</u>	<u>18,633,749</u>

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

Q3 2024 Report Commentaries

FrieslandCampina WAMCO Nigeria PLC, makers of premium milk brands, has released its Q3 2024 results amidst difficult economic challenges such as continuous Naira devaluation and inflationary pressures.

Volume performance continued to improve YTD Q3 2024 compared to YTD 2023, driven by a good product mix, expanded coverage across channels and other strategic initiatives aimed at restoring the Company to sustainable and profitable growth. Net sales was better than prior year due to our Revenue Growth Management (RGM) initiatives to structurally recover and grow volume, along with upscaled commercial execution, which translated into business success.

In Q3 2024, Gross Profit and Operating Results were supported by higher volumes, an improved product mix and various cost-saving measures.

The USD loan of \$125 million was fully settled in Q1 2024 and the FX revaluation impact of the loan was mitigated by the benefits of the non-deliverable forward (NDF) contract. This settlement has reduced the Company's FX exposure.

The foreign exchange liquidity contracts (FX swap) amounting to USD 75 million, maturing in December 2024, have been hedged, resulting in N46.3 billion derivative liabilities.

Finance costs amounted to N30.1 billion YTD Q3 2024 (Q3 2023: N15.8 billion). This includes N20.3 billion in interest expenses on short term Naira facility and the USD loan, which is an increase from N11.9 billion in interest costs in Q3 2023. Additionally, the net FX impact on USD loan revaluation/FX swap, after considering the benefits of the NDF contract, was N9.8 billion, compared to N3.9 billion in Q3 2023.

Despite the negative result over the three quarters of 2024, largely due to the continued significant currency devaluation and related revaluation charges in Q1, the Company remains confident in its ability to create value consistently. This confidence is bolstered by its high-quality brands, agile commercial execution and relentless focus on Revenue Growth Management to mitigate the challenges in the business terrain.

Notes to the Financial Statements

Contents

Note	Page
1 Reporting Entity	9
2 Basis of Preparation	9
3 Significant Accounting policies	9
4 Use of judgements and estimates	9
5 Financial risk management and financial instruments	9
6(a) Revenue from contract with customers	10
6(b) Other (costs)/income	10
6(c) Finance income/Finance costs	10
7 Property, plant and equipment, right of use assets and biological assets	11
8 Intangible assets	12
9 Inventories	12
10 Trade and other receivables	12
11 Derivatives	12
12 Prepayments and accrued Income	12
13 Cash and cash equivalents	12
14 Employee benefits	12
15a Non current loans and borrowings	12
15b Current loans and other borrowings	13
16 Government grant	13
17 Trade and other payables	13
18 Lease liabilities	13
19 Dividend payable	13

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 six months ended 30 September 2024 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 2023, 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

These are accounted for in line with IFRS 9 and they 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:

	Year to date 30 September 2024 N’000	Year to date 30 September 2023 N’000
Local	350,094,461	228,946,467
Export	334,930	1,376,903
	350,429,391	230,323,370

6(b) Other (costs)/income

In Q2 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 resulted in an exceptional foreign currency expense of N18.6b.

6(c) Finance income/Finance costs

Finance income relates to interest income from short term deposits.

Finance costs amounting to N30.1 billion in Q3 2024 were primarily driven by the interest on short term Naira facility and USD loan (N20.3 billion) compared to a lower interest cost in Q3 2023 (N11.9 billion) and net FX impact on USD loan revaluation/FX swap, net of Non-Deliverable Forward (NDF) contract benefits (N9.8 billion) vs N3.9 billion in Q3 2023.

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	Total
<i>In thousands of Naira</i>							
Cost							
Balance at 1 January 2023	3,757,967	13,929,596	38,977,965	6,663,104	3,749,858	8,627,979	75,706,468
Additions	-	-	-	-	-	5,987,101	5,987,101
Transfers	-	1,757,240	8,690,306	166,692	739,187	(11,353,424)	-
Disposals	-	-	(109,489)	-	(453,926)	-	(563,415)
Balance at 31 December 2023	<u>3,757,967</u>	<u>15,686,836</u>	<u>47,558,782</u>	<u>6,829,796</u>	<u>4,035,119</u>	<u>3,261,656</u>	<u>81,130,154</u>
Balance at 1 January 2024	3,757,967	15,686,836	47,558,782	6,829,796	4,035,119	3,261,656	81,130,154
Additions	-	-	-	-	-	5,646,052	5,646,052
Transfers	-	308,969	1,671,748	395,890	257,008	(2,633,615)	-
Disposals	-	-	-	-	(33,075)	-	(33,075)
Balance at 30 September 2024	<u>3,757,967</u>	<u>15,995,805</u>	<u>49,230,530</u>	<u>7,225,686</u>	<u>4,259,053</u>	<u>6,274,093</u>	<u>86,743,131</u>
Depreciation							
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	93,024	774,673	3,356,902	971,803	483,385	-	5,679,787
Disposals	-	-	(67,455)	-	(412,355)	-	(479,810)
Balance at 31 December 2023	<u>873,666</u>	<u>5,218,986</u>	<u>17,144,590</u>	<u>5,114,307</u>	<u>2,089,920</u>	<u>-</u>	<u>30,441,468</u>
Balance at 1 January 2024	873,666	5,218,986	17,144,590	5,114,307	2,089,920	-	30,441,468
Depreciation for the year	69,768	624,172	2,531,537	613,590	409,717	-	4,248,783
Disposals	-	-	-	-	(33,075)	-	(33,075)
Balance at 30 September 2024	<u>943,434</u>	<u>5,843,158</u>	<u>19,676,127</u>	<u>5,727,897</u>	<u>2,466,561</u>	<u>-</u>	<u>34,657,176</u>
Carrying amounts							
At 31 December 2023	<u>2,884,301</u>	<u>10,467,850</u>	<u>30,414,192</u>	<u>1,715,489</u>	<u>1,945,199</u>	<u>3,261,656</u>	<u>50,688,687</u>
At 30 September 2024	<u>2,814,533</u>	<u>10,152,647</u>	<u>29,554,403</u>	<u>1,497,789</u>	<u>1,792,492</u>	<u>6,274,093</u>	<u>52,085,957</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 2023	348,566	63,494	412,060
Additions	25,800	-	25,800
Balance at 31 December 2023	<u>374,366</u>	<u>63,494</u>	<u>437,860</u>
Balance at 1 January 2024	374,366	63,494	437,860
Additions	-	-	-
Balance at 30 September 2024	<u>374,366</u>	<u>63,494</u>	<u>437,860</u>
Depreciation and impairment losses			
Balance at 1 January 2023	135,598	1,587	137,185
Depreciation for the year	61,191	1,587	62,778
Balance at 31 December 2023	<u>196,789</u>	<u>3,174</u>	<u>199,963</u>
Balance at 1 January 2024	196,789	3,174	199,963
Depreciation for the year	43,572	-	43,572
Balance at 30 September 2024	<u>240,361</u>	<u>3,174</u>	<u>243,535</u>
Carrying amounts			
At 1 January 2024	<u>177,577</u>	<u>60,320</u>	<u>237,897</u>
At 30 September 2024	<u>134,005</u>	<u>60,320</u>	<u>194,325</u>

Right of use asset includes N60million 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

Cost		
Balance at 1 January 2023		27,010
Additions		103,231
Balance at 31 December 2023		<u>130,241</u>
Balance at 1 January 2024		130,241
Additions		229,446
Balance at 30 September 2024		<u>359,687</u>
Current		-
Non current		359,687
		<u>359,687</u>

Biological assets include seeds/crops such as Brachiaria grass and maize, as well as cattle which are located in Maya and Fashola in Oyo state. The seeds/crops are harvested to feed the cattle. The additions in 2024 relates to seeds/crops.

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 2023	802,877	1,783,506	2,586,383
Additions	-	-	-
Balance at 31 December 2023	<u>802,877</u>	<u>1,783,506</u>	<u>2,586,383</u>
Balance at 1 January 2024	802,877	1,783,506	2,586,383
Additions	-	-	-
Balance at 30 September 2024	<u>802,877</u>	<u>1,783,506</u>	<u>2,586,383</u>
Amortization and Impairment			
Balance at 1 January 2023	483,042	-	483,042
Amortisation for the year	140,680	-	140,680
Balance at 31 December 2023	<u>623,722</u>	<u>-</u>	<u>623,722</u>
Balance at 1 January 2024	623,722	-	623,722
Amortisation for the year	105,510	-	105,510
Balance at 30 September 2024	<u>729,232</u>	<u>-</u>	<u>729,232</u>
Carrying amounts			
At 31 December 2023	<u>179,155</u>	<u>1,783,506</u>	<u>1,962,661</u>
At 30 September 2024	<u>73,645</u>	<u>1,783,506</u>	<u>1,857,151</u>

9 Inventories

<i>In thousands of Naira</i>	As at 30 September 2024	As at 31 December 2023
Raw materials& Packaging	38,175,867	22,619,370
Finished products	8,071,699	8,059,419
Goods in transit	52,680,820	13,609,503
Spare parts and tools	6,134,261	5,582,286
	<u>105,062,647</u>	<u>49,870,578</u>

10 Trade and other receivables

<i>In thousands of Naira</i>	As at 30 September 2024	As at 31 December 2023
Trade receivables	9,420,391	5,026,882
Due from related parties	3,675,043	3,009,708
Other Receivables	8,283,580	9,263,128
Insurance claim receivable	279,858	279,859
	<u>21,658,872</u>	<u>17,579,577</u>

11 Derivatives

<i>In thousands of Naira</i>	As at 30 September 2024	As at 31 December 2023
Derivative assets	-	79,152,452
Derivative liabilities	46,279,215	-

The derivative assets and liabilities arose from the non deliverable forward (NDF) contracts entered into with respect to the USD loan and currency swap transactions respectively.

Derivative assets and liabilities are accounted for at fair value through profit or loss. They are presented as current assets or liabilities to the extent that they are expected to be settled within 12 months after the end of the reporting period. The NDF benefit as at 2023 December year end have now been realised as at H1 2024. The derivative liabilities as at September 2024 relates to the currency swap transactions.

12 Prepayments and accrued Income

<i>In thousands of Naira</i>	As at 30 September 2024	As at 31 December 2023
Prepaid expenses	1,948,857	1,057,607
Deposits for imports*	188,979,662	141,636,685
Pre-funding for USD swap conversion**	79,859,401	-
	<u>270,787,920</u>	<u>142,694,292</u>

*Deposits for imports represents prepayments for imports made to the bank by the Company.

**Pre-funding for USD swap conversion relates to funding for hedged dollar sourcing for the settlement of USD swap.

13 Cash and cash equivalents

<i>In thousands of Naira</i>	As at 30 September 2024	As at 31 December 2023
Cash and bank balances	6,228,958	3,628,094
Short term deposits*	578,486	7,805,763
Cash and cash equivalents	<u>6,807,444</u>	<u>11,433,857</u>

*Short term deposits relates to unclaimed dividend investment (N578 million) in fixed deposit.

14 Employee benefits

<i>In thousands of Naira</i>	As at 30 September 2024	As at 31 December 2023
Long service award benefits obligation	1,450,587	1,207,903
Other post employment benefits	544,982	453,883
	<u>1,995,569</u>	<u>1,661,786</u>

15a Non-Current loans and borrowings

<i>In thousands of Naira</i>	As at 30 September 2024	As at 31 December 2023
CBN loan	4,589,101	4,589,101
	<u>4,589,101</u>	<u>4,589,101</u>

Notes to the financial statements

15b Current Loans and borrowings	As at 30 September	As at 31 December
<i>In thousands of Naira</i>	2024	2023
Short Term Finance (Naira)	134,700,000	19,729,890
USD loan	-	111,472,674
	<u>134,700,000</u>	<u>131,202,564</u>
16 Government grants	As at 30 September	As at 31 December
<i>In thousands of Naira</i>	2024	2023
Opening balance	441,739	924,349
Addition	-	-
Prior year adjustment	-	(246,156)
Amortisation	-	(236,454)
Closing balance	<u>441,739</u>	<u>441,739</u>
Non current	252,979	252,979
Current	<u>188,760</u>	<u>188,760</u>
	<u>441,739</u>	<u>441,739</u>
17 Trade and other payables	As at 30 September	As at 31 December
<i>In thousands of Naira</i>	2024	2023
Trade Payables	24,136,736	14,646,864
Other payables and accruals	35,055,879	27,170,898
Contract liabilities*	3,838,976	5,742,841
Amount due to related parties	205,528,573	163,886,175
Dividend payable	648,495	578,486
	<u>269,208,659</u>	<u>212,025,264</u>
*Contract liabilities represent deposits received from customers for goods not yet delivered.		
18 Lease Liabilities	As at 30 September	As at 31 December
<i>In thousands of Naira</i>	2024	2023
Opening balance	99,757	85,810
Addition	-	-
Lease modification	-	-
Interest expense	-	13,947
Closing balance	<u>99,757</u>	<u>99,757</u>
Current	11,787	11,787
Non current	<u>87,970</u>	<u>87,970</u>
	<u>99,757</u>	<u>99,757</u>
19 Dividend Payables	As at 30 September	As at 31 December
<i>In thousands of Naira</i>	2024	2023
Bal b/f	578,486	716,774
Dividend declared	-	5,721,329
Payment	-	(5,721,329)
Unclaimed dividend received from First Registrar	70,008	62,431
Unclaimed dividend returned to First Registrar	-	(200,719)
	<u>648,494</u>	<u>578,486</u>

Dividend payable relates to unclaimed dividend by local shareholders.