Nascon Allied Industries Plc
Unaudited Financial Statements
for the period ended 30 September 2022

Contents

Statement of Profit or Loss and Other Comprehensive Income

	Notes	Reviewed 3 Months ended 30 September 2022 N '000	Reviewed 3 Months ended 30 September 2021 N '000	Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000
Revenue	4	15,477,696	7,377,725	40,605,550	24,947,882	33,279,688
Cost of sales	6	(8,384,313)	(4,314,390)	(25,142,431)	(14,946,862)	(21,320,319)
Gross profit (loss)		**7,093,383**	**3,063,335**	**15,463,119**	**10,001,020**	**11,959,369**
Other income	7	22,415	36,795	47,250	43,463	52,271
Other operating gains (losses)	8	(856,123)	714,393	(444,770)	549,692	1,782,837
Movement in credit loss allowances	9	-	-	-	-	15,815
Distribution costs	10.1	(3,422,590)	(1,549,704)	(8,420,176)	(4,837,014)	(6,693,359)
Administrative expenses	10.2	(711,089)	(783,662)	(2,158,295)	(2,144,229)	(2,800,431)
Operating profit		**2,125,996**	**1,481,157**	**4,487,128**	**3,612,932**	**4,316,502**
Finance income	11	118,209	10,023	253,766	36,574	51,701
Finance costs	12	(248,986)	(71,827)	(471,124)	(97,027)	(130,160)
Profit (loss) before taxation		**1,995,219**	**1,419,353**	**4,269,770**	**3,552,479**	**4,238,043**
Taxation	13	(648,445)	(454,192)	(1,387,675)	(1,136,793)	(1,267,061)
Profit (loss) from continuing operations		**1,346,774**	**965,161**	**2,882,095**	**2,415,686**	**2,970,982**
Profit (loss) for the period		**1,346,774**	**965,161**	**2,882,095**	**2,415,686**	**2,970,982**
Total comprehensive income for the period		**1,346,774**	**965,161**	**2,882,095**	**2,415,686**	**2,970,982**
Earnings per share						
Per share information						
Basic and diluted earnings per share (Kobo)	15	203	146	145	122	112

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 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000
Assets				
Non-Current Assets				
Property, plant and equipment	16	13,410,011	15,308,912	14,063,444
Right-of-use assets	17	3,721,083	3,766,271	3,837,926
		17,131,094	**19,075,183**	**17,901,370**
Current Assets				
Inventories	18	7,004,209	4,022,695	4,291,574
Trade and other receivables	19	13,973,449	10,618,619	9,794,102
Other financial assets	20	695,826	667,506	658,159
Other assets	21	4,903,099	3,453,046	832,177
Cash and cash equivalents	22	11,436,094	3,344	7,044,016
		38,012,677	**18,765,210**	**22,620,028**
Total Assets		**55,143,771**	**37,840,393**	**40,521,398**
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	14,696,457	12,316,629	12,871,924
		16,455,213	**14,075,385**	**14,630,680**
Liabilities				
Non-Current Liabilities				
Borrowings	27	2,095,070	38,570	38,570
Lease liabilities	28	3,158,537	3,330,839	3,139,417
Retirement benefit obligation	29	133,171	137,030	138,214
Deferred tax	14	2,356,442	2,444,458	2,356,442
		7,743,220	**5,950,897**	**5,672,643**
Current Liabilities				
Bank overdraft	22	-	964,511	-
Trade and other payables	30	28,494,537	14,043,513	14,089,986
Lease liabilities	28	215,332	162,203	500,845
Contract liabilities	31	725,651	1,509,138	4,274,213
Current tax payable	13	1,509,818	1,134,746	1,353,031
		30,945,338	**17,814,111**	**20,218,075**
Total Liabilities		**38,688,558**	**23,765,008**	**25,890,718**
Total Equity and Liabilities		**55,143,771**	**37,840,393**	**40,521,398**

The Financial statements and the notes on pages 18 to 38, were approved by the Board on the 26 October, 2022 and were signed on its behalf by:

Thabo Mabe
Managing Director
FRC/2013/IODN/00000001741

Tunde Iwamofe
Finance Controller
FRC/2013/ICAN/0000002247

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.

Nascon Allied Industries Plc

Unaudited Financial Statements for the interim period ended 30 September 2022

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 2021	**1,324,719**	**434,037**	**10,961,064**	**12,719,820**
Profit for the period	-	-	2,415,686	2,415,686
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**2,415,686**	**2,415,686**
Dividends	-	-	(1,060,122)	(1,060,122)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(1,060,122)**	**(1,060,122)**
Balance at 30 September 2021	**1,324,719**	**434,037**	**12,316,628**	**14,075,384**
Balance at 1 January 2022	**1,324,719**	**434,037**	**12,871,924**	**14,630,680**
Profit for the period	-	-	2,882,095	2,882,095
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**2,882,095**	**2,882,095**
Dividends	-	-	(1,057,562)	(1,057,562)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(1,057,562)**	**(1,057,562)**
Balance at 30 September 2022	**1,324,719**	**434,037**	**14,696,457**	**16,455,213**

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 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000
Cash flows from operating activities				
Cash generated from operations	32	6,209,225	(751,332)	5,799,083
Tax paid	13	(1,230,888)	(789,224)	(789,224)
Retirement benefit obligations paid	29	(5,043)	(15,394)	(14,210)
Net cash from operating activities		**4,973,294**	**(1,555,950)**	**4,995,649**
Cash flows from investing activities				
Purchase of property, plant and equipment	16	(1,234,963)	(437,095)	(1,203,269)
Proceed from sale of property, plant and equipment	16	(1)	(1)	2,250,000
Interest Income	11	253,766	36,574	51,701
Net cash from investing activities		**(981,198)**	**(400,522)**	**1,098,432**
Cash flows from financing activities				
Proceeds from borrowings	27	2,056,500	-	-
Dividends paid	26	(1,057,562)	(1,060,122)	(1,060,122)
Finance costs	12	(105,775)	(60,385)	(80,585)
Payment on lease liabilities	28	(493,181)	(484,558)	(535,177)
Net cash used in financing activities		**399,982**	**(1,605,065)**	**(1,675,884)**
Total cash and cash equivalents movement for the period		**4,392,078**	**(3,561,537)**	**4,418,197**
Cash and cash equivalents at the beginning of the period		7,044,016	2,600,370	2,600,370
Effect of exchange rate movement on cash balances		-	-	25,449
Total cash and cash equivalents at end of the period	22	**11,436,094**	**(961,167)**	**7,044,016**

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

Principal activities of the company during the year include processing of raw salt into refined, edible and grade salt. The company also produces Seasoning. The company’s products are sold through distributors across the country.

1.2 Financial period

The financial statements cover the financial year from January 1, 2022 to September 30, 2022 with comparatives for the period ended September 30, 2021.

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 with IFRS

The Unaudited Financial Statements have been prepared in accordance with, and comply with, International Financial Reporting Standards and International Financial Reporting Standards Interpretations Committee (IFRS IC) interpretations issued 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;

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

Accounting Policies

2.2 Basis of measurement (continued)

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 has 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 Finance 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.

Defined contribution plans

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.

Retirement benefit obligation

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 of 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.

Accounting Policies

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

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

2.12 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.

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.

Accounting Policies

2.12 Financial instruments (continued)

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 an 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 the derecognition 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 the "derecognition" 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.

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.

The benefit of a government loan at a below market rate of interest is treated as a government grant, measured as the difference between proceeds and the fair value of the loan based on prevailing market interest rates.

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 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 30 September 2022 N '000	Reviewed 3 Months ended 30 September 2021 N '000	Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000

4. Revenue

Revenue from contracts with customers

Sale of goods	15,477,696	7,377,725	40,605,550	24,947,882	33,279,688

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	967,095	460,984	2,537,164	1,746,029	2,672,444
West	3,810,150	1,816,177	9,995,882	8,670,683	9,692,464
North	10,700,451	5,100,564	28,072,504	14,531,170	20,914,780
	15,477,696	**7,377,725**	**40,605,550**	**24,947,882**	**33,279,688**

6. Cost of sales

Raw materials consumed	7,387,558	3,494,916	22,367,171	12,428,670	18,014,086
Employee costs	246,634	248,191	702,722	822,838	1,050,184
Depreciation of property, plant and equipment	166,287	199,587	499,027	551,559	755,920
Depreciation of right of use assets	37,061	41,172	110,906	108,653	146,246
Manufacturing expenses	546,773	298,084	1,462,605	941,022	1,229,550
Loading	-	32,440	-	94,120	124,333
	8,384,313	**4,314,390**	**25,142,431**	**14,946,862**	**21,320,319**

7. Other income

Sale of scrap	15,793	18,702	34,221	25,370	25,436
Insurance claim	1,107	18,093	2,000	18,093	26,835
Rental income	5,515	-	11,029	-	-
	22,415	**36,795**	**47,250**	**43,463**	**52,271**

Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 30 September 2022 N '000	Reviewed 3 Months ended 30 September 2021 N '000	Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000
8. Other operating gains (losses)					
Gains (losses) on disposals, scrappings and settlements					
Property, plant and equipment	-	-	-	(1)	745,695
Foreign exchange gains (losses)					
Net foreign exchange gains	(856,123)	714,393	(444,770)	549,693	1,037,142
Total other operating gains (losses)	**(856,123)**	**714,393**	**(444,770)**	**549,692**	**1,782,837**
9. Movement in credit loss allowances					
Impairment (charge)/writeback on intercompany receivables	-	-	-	-	(1,471)
Impairment writeback/(charge) on trade receivable	-	-	-	-	17,470
Impairment (charge)/writeback on staff loans	-	-	-	-	(184)
	-	**-**	**-**	**-**	**15,815**
10. Operating expenses					
10.1 Distribution cost					
Market activation	113,697	74,347	257,929	217,990	289,762
Branding expenses	84,176	188,957	178,589	410,593	600,905
Delivery expenses	2,925,185	995,670	7,133,757	3,211,679	4,545,597
Depreciation of trucks	299,532	290,730	849,901	996,752	1,257,095
	3,422,590	**1,549,704**	**8,420,176**	**4,837,014**	**6,693,359**

Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 30 September 2022 N '000	Reviewed 3 Months ended 30 September 2021 N '000	Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000

10. Operating expenses (continued)

10.2 Administrative expenses

Management fees	31,990	34,683	103,776	92,319	135,073
Auditors remuneration	6,563	5,031	19,793	14,224	20,000
Provision for bad debts	-	2,300	-	2,300	2,300
Bank charges	8,437	8,828	36,963	36,850	50,073
Cleaning	5,993	10,930	35,243	24,895	34,212
Consulting and professional fees	1,273	7,709	52,348	46,604	52,036
Depreciation of property, plant and equipment	108,484	102,385	335,817	286,268	403,091
Depreciation of right of use assets	790	2,134	3,672	4,428	5,893
Directors remuneration	37,763	38,606	113,289	113,669	152,625
Employee costs	339,443	368,426	937,962	932,383	1,213,813
Entertainment	7,508	11,079	28,559	37,831	45,370
Business development	25,346	7,748	33,122	24,911	29,848
Insurance	14,247	22,519	39,834	50,497	67,553
Petrol and oil	4,978	5,007	17,122	16,301	22,351
Printing and stationery	8,485	4,896	18,174	17,796	22,305
Repairs and maintenance	18,164	15,567	40,549	39,531	60,335
Secretarial fees	13,339	8,260	51,799	42,121	52,390
Security	11,322	13,979	44,928	52,101	66,470
Staff welfare	26,244	42,096	73,611	94,597	105,245
Telephone and fax	11,726	26,419	62,445	79,474	96,919
Travel - local	28,166	42,846	108,353	132,059	160,498
Travel - overseas	828	2,214	936	3,070	2,031
	711,089	**783,662**	**2,158,295**	**2,144,229**	**2,800,431**

11. Finance income

Interest income on bank balances	68	23	129	365	377
Interest income on short term fixed deposit	118,141	10,000	253,637	36,209	51,324
Total finance income	**118,209**	**10,023**	**253,766**	**36,574**	**51,701**

12. Finance costs

Interest on overdraft	-	58,678	-	60,385	80,585
Interest borrowings	105,775	-	105,775	-	-
Interest on lease liabilities	143,211	13,149	365,349	36,642	49,575
	248,986	**71,827**	**471,124**	**97,027**	**130,160**

Notes to the Unaudited Financial Statements

	Reviewed 3 Months ended 30 September 2022 N '000	Reviewed 3 Months ended 30 September 2021 N '000	Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000

13. Taxation

Major components of the tax expense

Current					
Local income tax	598,565	425,805	1,280,931	1,065,743	1,180,353
Education tax	49,880	28,387	106,744	71,050	174,512
Police Trust Fund Levy	-	-	-	-	212
	648,445	**454,192**	**1,387,675**	**1,136,793**	**1,355,077**
Deferred					
In respect of current year	-	-	-	-	(88,016)
	-	**-**	**-**	**-**	**(88,016)**

Split between current and deferred tax

Current tax	648,445	454,192	1,387,675	1,136,793	1,355,077
Deferred tax	-	-	-	-	(88,016)
	648,445	**454,192**	**1,387,675**	**1,136,793**	**1,267,061**

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. 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 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000
Current tax payable			
1 January	1,353,031	787,178	787,178
Charge for the year	1,387,675	1,136,792	1,355,077
Payment during the year	(1,230,888)	(789,224)	(789,224)
At end of period	**1,509,818**	**1,134,746**	**1,353,031**

Notes to the Unaudited Financial Statements

	Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000
14. Deferred tax			
Deferred tax liability			
Property plant and equipment	(2,356,442)	(2,444,458)	(2,385,120)
Allowance for doubtful debt	-	-	101,047
Unrealised exchange difference	-	-	(8,125)
IFRS 16 Leases	-	-	(64,244)
Total deferred tax liability	**(2,356,442)**	**(2,444,458)**	**(2,356,442)**

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	(2,457,489)	(2,553,520)	(2,457,489)
Deferred tax assets	101,047	109,062	101,047
	(2,356,442)	**(2,444,458)**	**(2,356,442)**

	Reviewed 3 Months ended 30 September 2022 N '000	Reviewed 3 Months ended 30 September 2021 N '000	Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000
15. Earnings per share					
Basic earnings per share **From continuing operations (kobo per share)**	203	146	145	122	112
Reconciliation of earnings					
Profit or loss for the year attributable to equity holders	1,346,774	965,161	2,882,095	2,415,686	2,970,982
Weighted average number of ordinary shares as at September 30, 2022 ('000)	2,649,438	2,649,438	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	Buildings	Tools and equipment	Plant and machinery	Furniture and fittings	Motor vehicles	Computer equipment	Capital - Work in progress	Total
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Cost									
At January 1, 2021	70,000	1,461,605	616,837	7,665,548	122,258	10,355,041	115,062	7,177,514	27,583,865
Additions	-	175,728	5,963	232,595	8,839	691,431	37,129	318,844	1,470,529
Disposals and scrappings	-	(474,725)	(17,476)	(1,868,335)	(16,287)	(1,827,571)	(9,838)	-	(4,214,232)
Reclassifications	-	2,526,084	178,172	3,433,855	259,881	212,148	100,745	(6,710,885)	-
Adjustments	-	-	-	-	-	-	-	(184,893)	(184,893)
At 31 December 2021	**70,000**	**3,688,692**	**783,496**	**9,463,663**	**374,691**	**9,431,049**	**243,098**	**600,580**	**24,655,269**
Additions	-	-	6,556	-	2,016	929,286	-	297,105	1,234,963
Disposals and scrappings	-	-	-	-	(2,355)	-	(11,062)	-	(13,417)
Reclassifications	-	-	38,855	-	-	-	-	(38,855)	-
Adjustments	-	-	-	-	-	-	-	(203,650)	(203,650)
At 30 September 2022	**70,000**	**3,688,692**	**828,907**	**9,463,663**	**374,352**	**10,360,335**	**232,036**	**655,180**	**25,673,165**
Depreciation									
At January 1, 2021	-	(218,812)	(443,466)	(2,884,242)	(89,165)	(7,154,275)	(95,688)	-	(10,885,648)
Disposals and scrappings	-	59,123	17,476	779,636	16,287	1,827,571	9,838	-	2,709,931
Depreciation	-	(65,578)	(126,274)	(690,342)	(59,847)	(1,428,422)	(45,645)	-	(2,416,108)
At 31 December 2021	**-**	**(225,267)**	**(552,264)**	**(2,794,948)**	**(132,725)**	**(6,755,126)**	**(131,495)**	**-**	**(10,591,825)**
Disposals	-	-	-	-	2,355	-	11,063	-	13,418
Depreciation	-	(55,310)	(86,079)	(443,718)	(48,845)	(1,011,859)	(38,936)	-	(1,684,747)
At 30 September 2022	**-**	**(280,577)**	**(638,343)**	**(3,238,666)**	**(179,215)**	**(7,766,985)**	**(159,368)**	**-**	**(12,263,154)**
Carrying amount									
Cost	70,000	3,688,692	783,496	9,463,663	374,691	9,431,049	243,098	600,580	24,655,269
Accumulated depreciation	-	(225,267)	(552,264)	(2,794,948)	(132,725)	(6,755,126)	(131,495)	-	(10,591,825)
At 31 December 2021	**70,000**	**3,463,425**	**231,232**	**6,668,715**	**241,966**	**2,675,923**	**111,603**	**600,580**	**14,063,444**
Cost	70,000	3,688,692	828,907	9,463,663	374,352	10,360,335	232,036	655,180	25,673,165
Accumulated depreciation	-	(280,577)	(638,343)	(3,238,666)	(179,215)	(7,766,985)	(159,368)	-	(12,263,154)
At 30 September 2022	**70,000**	**3,408,115**	**190,564**	**6,224,997**	**195,137**	**2,593,350**	**72,668**	**655,180**	**13,410,011**

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 the Salt Village project.

16.2 Adjustments to capital work-in-progress

The adjustment represents lease interest expenses charged to profit or loss in the current period. The adjustment in 2021 represents pre-trading expenses for the Salt Village plant.

16.3 **Asset pledged as securit**y

None of the company's assets were pledged as security for any liabilities as at September 30, 2022 (2021:Nil).

16.4 Impairment Assessment

Included in property, plant and equipment are assets related to tomato paste plant with carrying values of N115.8 million as at 31 December 2021. 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. The recoverable amounts of N274.3 million exceeded the carrying value. There was no impairment gain or loss recognised as at September 30, 2022 (2021: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 2021	3,132,298	952,039	4,084,337
Additions	-	124,405	124,405
Modifications	110,713	54,825	165,538
At 31 December 2021	**3,243,011**	**1,131,269**	**4,374,280**
1 January 2022	3,243,011	1,131,269	4,374,280
Additions	-	-	-
At 30 September 2022	**3,243,011**	**1,131,269**	**4,374,280**
Depreciation			
At 1 January 2021	-	(384,215)	(384,215)
Depreciation	-	(152,139)	(152,139)
At 31 December 2021	**-**	**(536,354)**	**(536,354)**
At 1 January 2022	-	(536,354)	(536,354)
Depreciation	-	(114,578)	(114,578)
At 30 September 2022	**-**	**(650,932)**	**(650,932)**
Carrying amount			
Cost	3,243,011	1,131,269	4,374,280
Accumulated depreciation	-	(536,354)	(536,354)
At 31 December 2021	**3,243,011**	**594,915**	**3,837,926**
Cost	3,243,011	1,131,269	4,374,280
Accumulated depreciation	-	(650,932)	(650,932)
At 30 September 2022	**3,243,011**	**480,337**	**3,723,348**

Notes to the Unaudited Financial Statements

	Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000

18. Inventories

Raw materials	3,474,197	2,045,421	2,389,488
Work in progress	4,927	12,512	4,246
Finished goods	1,398,344	453,092	207,766
Spare parts and consumables	874,896	584,635	652,326
Oil and lubricants	270,404	55,899	82,811
Packaging materials	981,441	871,136	954,937
	7,004,209	**4,022,695**	**4,291,574**

During the year, there were no inventory written down/reversal to net realisable value (2021: Nil).

The cost of inventories recognised as an expense during the year in respect of continuing operations was N14.980 billion (2021: N8.934 billion)

18.1 Inventory pledged as security

No inventory was pledged as security for any liability (2021: Nil).

19. Trade and other receivables

Financial instruments:			
Trade receivables	1,793,312	1,104,908	445,547
Trade receivables - related parties (Note 35.1)	11,727,639	8,717,118	8,821,604
Loss allowance	(129,979)	(146,060)	(129,979)
Trade receivables at amortised cost	13,390,972	9,675,966	9,137,172
Employee loans and advances	156,911	101,729	45,887
Loss allowance	(265)	-	(265)
Other receivables	425,831	840,924	611,308
Non-financial instruments:			
Total trade and other receivables	**13,973,449**	**10,618,619**	**9,794,102**

Categorisation of trade and other receivables

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

At amortised cost	13,973,449	10,618,619	9,794,102
Non-financial instruments	-	-	-
	13,973,449	**10,618,619**	**9,794,102**

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 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 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:

	2022	2021	Dec 2021
Opening balance	(130,244)	(146,060)	(146,060)
Provision (raised)/reversed on new related party receivables	-	-	(1,470)
Provisions reversed/(raised) on settled trade receivables	-	-	17,470
Provision (raised)/reversed on new staff loan	-	-	(184)
	(130,244)	**(146,060)**	**(130,244)**

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

	2022	2021	Dec 2021
Gross carrying amount as at 1 January	9,267,151	13,031,766	13,031,766
Revenue from third parties	40,605,550	24,947,882	33,279,688
Receipts from third parties	(37,878,957)	(24,490,714)	(32,836,920)
Rebates receivable from related party	1,527,207	733,092	992,617
Rebates received from related party	-	(4,400,000)	(5,200,000)
Gross carrying amount	**13,520,951**	**9,822,026**	**9,267,151**

20. **Other financial assets**

	2022	2021	Dec 2021
Securities held at amortised cost			
Fixed deposit	695,826	667,506	658,159

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

	2022	2021	Dec 2021
Prepayments:			
Rent prepaid	1,705	3,051	-
Insurance prepaid	33,748	41,005	7,034
Prepayment - other	5,978	-	2,644
Deposit for import	4,811,949	3,303,651	710,512
Promotional items	49,719	105,339	111,987
	4,903,099	**3,453,046**	**832,177**

22. Cash and cash equivalents

	2022	2021	Dec 2021
Cash and cash equivalents consist of:			
Cash on hand	2,314	3,344	1,643
Bank balances	11,433,780	-	7,042,373
Bank overdraft	-	(964,511)	-
	11,436,094	**(961,167)**	**7,044,016**

Notes to the Unaudited Financial Statements

	Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000

22. Cash and cash equivalents (continued)

Split between assets and liabilities

Current assets	11,436,094	3,344	7,044,016
Current liabilities	-	(964,511)	-
	11,436,094	**(961,167)**	**7,044,016**

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	12,871,924	10,961,067	10,961,064
Profit for the year	2,882,095	2,415,684	2,970,982
Dividend declared and paid	(1,057,562)	(1,060,122)	(1,060,122)
	14,696,457	**12,316,629**	**12,871,924**

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	1,060,122	1,060,122
Payments- Meristem Registers	(1,057,562)	(1,060,122)	(1,060,122)
	-	**-**	**-**

27. **Borrowings**

Held at amortised cost

At beginning of the period	38,570	38,570	38,570
Loan obtained during the year	2,056,500	-	-
	2,095,070	**38,570**	**38,570**

Notes to the Unaudited Financial Statements

	Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000

27. Borrowings (continued)

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.

Loan obtained during the year is related to bank usance line at the rate of 8.5% per annual.

28. Lease liabilities

Lease liabilities	**Land**	**Building**	**Total**
Opening balance as at 1 January 2022	2,999,706	640,556	3,640,262
Interest expenses	198,108	31,474	229,582
Payments made during the year	(333,333)	(159,848)	(493,181)
Modification	-	(2,794)	(2,794)
Balance September 30, 2022	**2,864,481**	**509,388**	**3,373,869**
Lease liabilities			
Current	76,134	139,198	215,332
Non-current	2,788,346	370,191	3,158,537
	2,864,480	**509,389**	**3,373,869**

Lease liabilities	**Land**	**Building**	**Total**
Opening balance as at 1 January 2021	2,955,055	613,596	3,568,651
Additions	-	124,405	124,405
Interest expenses	267,260	49,584	316,844
Payments made during the year	(333,333)	(201,844)	(535,177)
Modification	110,713	54,826	165,539
Balance 31 December 2021	**2,999,695**	**640,567**	**3,640,262**
Lease liabilities			
Current	305,298	195,547	500,845
Non-current	2,694,408	445,009	3,139,417
	2,999,706	**640,556**	**3,640,262**

29. Retirement benefits

Movement in gratuity			
At beginning of the period	138,214	152,424	152,424
Benefit paid	(5,043)	(15,394)	(14,210)
	133,171	**137,030**	**138,214**

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.

Notes to the Unaudited Financial Statements

	Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000

29. Retirement benefits (continued)

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 September 30, 2022 represents what is owed to staff who are still in the service from the old scheme.

As at September 30, 2022 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

	2022	2021	Dec 2021
At beginning of the period	-	-	-
Contributions during the year	145,406	167,525	182,532
Remittance in the year	(145,310)	(151,616)	(182,532)
	96	**15,909**	**-**

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 N80.87 million (2021: N93.19 million) represents contributions payable to this plan by the company as at September 30, 2022.

30. Trade and other payables

	2022	2021	Dec 2021
Financial instruments:			
Trade payables	2,117,794	1,501,664	1,739,411
Amounts due to related parties (Note 35.1)	23,301,086	10,914,644	10,809,283
Unclaimed dividend	920,826	756,665	658,159
Accrued audit fees	19,688	15,094	13,870
Other accrued expenses	2,000,843	772,782	522,127
Other payables	17,063	29,365	55,951
Staff pension	96	15,909	-
Non-financial instruments			
Value added tax	30,368	20,858	191,282
Withholding tax payable	86,773	16,532	99,903
	28,494,537	**14,043,513**	**14,089,986**

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

	2022	2021	Dec 2021
Advance payment from customers	725,651	1,509,138	4,274,213

Notes to the Unaudited Financial Statements

		Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000
32. Cash generated from operations				
Profit before taxation		4,269,770	3,552,479	4,238,043
Adjustments for:				
Depreciation of property, plant and equipment	16	1,684,747	1,834,583	2,416,108
Depreciation of right of use asset	17	114,578	113,081	152,139
Gains on disposals of property, plant and equipment	8	-	1	(745,695)
Unrealised exchange gain		-	-	(25,449)
Interest income	11	(253,766)	(36,574)	(51,701)
Finance costs	12	471,124	97,027	130,160
Impairment (reversal) for credit losses	9	-	-	(15,815)
PPE Adjustment	16	203,650	184,894	184,893
Inventories	18	(2,712,635)	1,136,756	867,877
Trade and other receivables	19	(4,179,347)	2,743,482	3,583,814
Other assets	21	(4,070,922)	(1,331,822)	1,289,047
Trade and other payables	30	14,230,588	(9,053,994)	(8,998,168)
Contract liabilities	31	(3,548,562)	8,755	2,773,830
Cash generated from operations		**6,209,225**	**(751,332)**	**5,799,083**

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 9 Months ended 30 September 2022	Reviewed 9 Months ended 30 September 2021	Audited 3 Months ended 31 December 2021
Borrowings	2,095,070	38,570	38,570
Lease liabilities	3,373,869	3,493,042	3,640,262
Trade and other payables	28,494,537	14,043,513	14,089,986
Total debts	**33,963,476**	**17,575,125**	**17,768,818**
Cash and cash equivalents	(11,436,094)	961,167	(7,044,016)
Net debts	**22,527,382**	**18,536,292**	**10,724,802**
Equity	16,455,213	14,075,385	14,630,680
Gearing ratio	137 %	132 %	73 %

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 83% (2021: 81%) 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.

30 September, 2022

Figures in Naira thousand		0-3 months	3-6 months	6-12 months	Over 1 year	Total	Carrying amount
Non-current liabilities							
Borrowings	27	-	2,056,500	-	38,570	2,095,070	2,095,070
Lease liabilities	28	-	79,500	425,681	3,143,028	3,648,209	3,158,537
Current liabilities							
Trade and other payables	28	8,286,274	3,219,390	759,886	16,228,986	28,494,536	28,494,537
Lease liabilities	28	3,000	190,694	84,000	-	277,694	215,332
Total financial liabilities		**8,289,274**	**5,546,084**	**1,269,567**	**19,410,584**	**34,515,509**	**33,963,476**

31 December 2021

Figures in Naira thousand		0-3 months	3-6 months	6-12 months	Over 1 year	Total	Carrying amount
Borrowings	27	-	-	-	38,570	38,570	38,570
Lease liabilities	28	-	-	-	3,902,875	3,902,875	3,139,417
Trade and other payables	30	2,636,973	1,400,150	1,550,333	8,211,344	13,798,800	13,798,801
Lease liabilities	28	150,847	11,760	348,333	-	510,940	500,845
Total financial liabilities		**2,787,820**	**1,411,910**	**1,898,666**	**12,152,789**	**18,251,185**	**17,477,633**

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	
	2022	2021	2022	2021
	N	N	N	N
Financial asset				
Trade and other receivables	13,973,449	10,618,619	13,973,449	10,618,619
Cash and bank	11,436,094	3,344	11,436,094	3,344
Financial liabilities				
Bank loans (overdrafts)	-	964,511	-	964,511
Trade and other payables	28,494,537	14,043,513	28,494,537	14,043,513
Borrowings	2,095,070	38,570	2,095,070	38,570

Notes to the Unaudited Financial Statements

	Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000

35. Related parties

35.1 Related party balances

Other related party receivables			
Dangote Cement Plc (Benue Plant)	7,200	7,200	7,200
Dancom Technologies Limited	-	64	-
West African Popular Foods*	62,243	62,243	62,243
Bulk Commodities Limited	11,658,196	8,647,611	8,752,161
	11,727,639	**8,717,118**	**8,821,604**

Intercompany payables			
Dangote Industries Limited (Parent)	2,034,101	2,169,366	1,838,114
Other related party payables			
Dangote Sugar Refinery	292,325	98,505	119,471
Dancom Technologies Limited	2,787	-	2,787
Greenview Development Nigeria Limited	81,825	301,536	330,891
Bluestar Shipping Line Limited	25,666	9,638	29,860
Dangote Cement Plc. (Obajana Plant)	24,196	24,196	24,195
Dangote Transport Limited	-	22,962	-
Aliko Dangote Foundation	10,738	11,238	11,238
Dangote Packaging Limited	327,274	293,580	186,162
Dangote Industries Limited (Central Stores)	89,138	374,503	249,427
Dangote Cement Plc (Head Office)	4,470,867	3,137,269	2,963,272
Dangote Oil Refining Company Limited	217,030	14,711	231,740
Dangote Cement Plc. (Benue Plant)	77,602	77,602	77,602
Dangote Cement Plc. (Benue Plant Truck scheme)	219,311	273,702	219,311
Dangote Cement Plc. (Ibese Plant)	7,212	9,346	9,736
Dangote Sinotruck West Africa Limited	-	1,514,563	764,563
Bulk Commodities Limited	14,558,379	2,581,932	3,750,914
Dangote Fertilizer Limited	862,635	-	-
	23,301,086	**10,914,649**	**10,809,283**

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

Notes to the Unaudited Financial Statements

35. Related parties (continued)

Relationships

Dangote Cement Plc (Gboko Plant)	Fellow subsidiary, purchases salt from the Company
Bulk Commodities Limited	Affiliate, purchases raw salt for the Company
Dangote Industries Limited (Central Stores)	Fellow subsidiary, purchases spare parts for the Company
DANCOM Technologies Limited	Fellow subsidiary, provides internet services and IT support
Dangote Packaging Limited	Fellow subsidiary, produces sacks for the Company
Dangote Cement Plc	Fellow subsidiary, the Company purchases used trucks from them
Aliko Dangote Foundation	Affiliate, engages in philanthropy
Dangote Industries Limited	Ultimate controlling party
Bluestar Shipping Line Limited	Fellow subsidiary, provides clearing services for the Company
Dangote Fertilizer Limited	Fellow subsidiary, the Company purchases used trucks from them
Dangote Oil Refining Company Limited	Affiliate, the Company purchases used equipment from them
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 from them
Greenview Development Nigeria Limited	Fellow subsidiary, provides port and terminal services to the Company
Dangote Cement Plc (Obajana Plant)	Fellow subsidiary, purchases salt from the Company
West African Popular Foods	Joint venture with Unilever, purchased and sold Annapurna Salt
Dangote Cement Plc. (Ibese Plant)	Fellow subsidiary, purchases salt from the Company

	Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000
36. Compensation to directors and other key management			
Short-term employee benefits	113,289	113,669	152,625
	113,289	**113,669**	**152,625**
Directors fees and expenses			
Directors fees	109,164	109,544	147,125
Directors expenses	4,125	4,125	5,500
	113,289	**113,669**	**152,625**

Notes to the Unaudited Financial Statements

	Reviewed 9 Months ended 30 September 2022 N '000	Reviewed 9 Months ended 30 September 2021 N '000	Audited 12 Months ended 31 December 2021 N '000

36. Compensation to directors and other key management (continued)

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**
N15,001 — N30,000	8	8	8
N30,001 — and above	2	2	2
	10	**10**	**10**

37. **Employee costs**

Average number of persons employed during the period

	Number	**Number**	**Number**
Management	68	59	59
Senior staff	207	206	203
Junior staff	304	335	319
	579	**600**	**581**

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	527	568	538
N5,001 - N10,000	37	25	34
N10,001 - N15,000	8	5	6
N15,001 - N20,000	7	2	3
	579	**600**	**581**

38. Commitments

The company's total capital commitments as at September 30, 2022 amounted to N6.56 million in respect of purchase of raw salt and Oregun plant rehabilitation (2021: N1.10 billion).

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 September 30, 2022 (2021 - 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.

Notes to the Unaudited 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 26 October, 2022