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IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT OR ANY ACTION TO BE TAKEN, IT IS RECOMMENDED THAT YOU CONSULT YOUR STOCKBROKER, BANKER, SOLICITOR, ACCOUNTANT OR ANY OTHER PROFESSIONAL ADVISER DULY REGISTERED UNDER THE INVESTMENT AND SECURITIES ACT NO. 29, 2007. **INVESTING IN THIS OFFER INVOLVES RISKS. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE QUALIFIED INSTITUTIONAL INVESTORS AND HIGH NET-WORTH INVESTORS, PLEASE REFER TO THE PAGES 84 TO 90 OF THE SHELF PROSPECTUS ISSUED IN CONNECTION WITH THE PROGRAMME.**

INVESTORS MAY CONFIRM THE CLEARANCE OF THE PROSPECTUS AND REGISTRATION OF THE SECURITIES WITH THE SECURITIES & EXCHANGE COMMISSION BY CONTACTING THE COMMISSION ON SEC@SEC.GOV.NG OR +234(0)94621100; +234(0) 94621168



**SUNDRY FOODS FUNDING SPV PLC**

**RC: 1786447**

**Offer for Subscription  
(By way of a Book Build)  
of**

**₦5,500,000,000 Series II: 5-Year 16.00% Fixed Rate Bonds due 2028  
(being offered to Qualified Institutional Investors and High Net Worth Individuals)  
Under a ₦20,000,000,000.00 Multi-Instrument Debt Issuance Programme**

**Book Build Open: Tuesday, September 26, 2023**

**Book Build Close: Wednesday, October 11, 2023<sup>1</sup>**

This Pricing Supplement has been prepared pursuant to Rule 279 and 280 of the Rules and Regulations of the Securities & Exchange Commission ("the Commission" or "SEC") in connection with the issue of ₦5,500,000,000 Bonds under the ₦20,000,000,000 multi-instrument Debt Issuance Programme ("the Programme") established by Sundry Foods Funding SPV PLC ("the Issuer"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated December 15, 2021 and any other supplements to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement. A copy of this Pricing Supplement has been delivered to the Commission for registration.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail. This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained from any of the Issuing Houses.

The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement later than three years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission, all applicable laws and the listing requirements of the NGX, FMDQ and NASD over-the-counter market for the purpose of giving information with regard to the Securities being issued hereunder (the "Series 2 Bond" or "Bond"). An application will be made to the FMDQ Securities Exchange and/or the Nigerian Exchange Limited for admission of the Bonds to the platform(s). The Bonds now being issued will upon admission to the platform(s) as a security in which Trustees may invest under the Trustees Investments Act (Cap T22) Laws of the Federation of Nigeria, 2004. The Bonds also qualify as a security which Pension Fund Administrators may invest pension funds and assets, under Section 86 of the Pension Reform Act 2014.

The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. Further, the material facts contained herein are true and accurate in all material respects and the Issuer confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue. **This Pricing Supplement and the securities which it offers have been registered with the Commission.** The Investments and Securities Act ("ISA") provides for criminal and civil liabilities for the issue of a prospectus which contains false or misleading information. The registration of this Pricing Supplement and the securities which it offers does not relieve the parties of any liabilities for false or misleading statements or for any omission of a material fact in this Pricing Supplement. Investors are advised to note that liability for false or misleading statements or acts made in connection with the Pricing Supplement is provided in sections 85 and 86 of the ISA.

**Lead Issuing House**



**RC 739441**

**Joint Issuing Houses**



**RC 446561**



**RC 1031358**

**THIS PRICING SUPPLEMENT IS DATED MONDAY, OCTOBER 23, 2023**

**THIS PRICING SUPPLEMENT WILL BE AVAILABLE ON THE FOLLOWING WEBSITES:**

[www.sundryfoods.com](http://www.sundryfoods.com) [www.cardinalstone.com](http://www.cardinalstone.com) [www.sec.gov.ng](http://www.sec.gov.ng)

<sup>1</sup> There were two (2) public holidays between the offer open and close dates

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## 1. KEY TERMS AND ABBREVIATIONS

“Auditor”	The auditor to the Co-Obligor, Deloitte & Touche, or any successor auditor which may be appointed in future
“Agusto & Co”	Agusto & Co. Limited
“Allocation”	The act of issuing bonds to successful bidders upon completion of the bookbuild
“Allotment”	The issue of Bonds to successful bidders pursuant to this Pricing Supplement
“Allotment Proposal”	The Proposal filed by the Issuing House which shall include summary of applications received, list of allottees acquiring 5% or more of the units on offer, list of all applications received including list of those rejected and the basis for rejection and draft newspaper announcement
“Applicant” or “Participant”	A Qualified Investor who offers to purchase the Bonds and submits commitment form(s) to the Issuing House (s)
“Board” or “Board of Directors” or the “Directors”	The members of the board of directors of Sundry Foods Limited and/or Sundry Foods Funding SPV PLC
“Bonds” or “Instruments” or “Debt Securities”	The registered bonds issued by the Issuer from time to time under the Programme with aggregate value not exceeding ₦20,000,000,000
“Bond Issuance Programme” or “Multi-instrument Bond Issuance Programme” or the “Programme”	The ₦20,000,000,000 Bond Issuance Programme established by the Issuer as described in the Shelf Prospectus dated 15 December 2021, pursuant to which the Company may issue series and/or tranches of Bonds from time to time, provided however that the aggregate value does not exceed ₦20,000,000,000
“Bondholder” or “Instrument Holder” or “Holder”	Any registered owner or beneficiary owner of Bond units
“Bond Proceeds”	Funds which are raised from the Series 2 Bond Issue under the Programme
“Book Building”	A process of price and demand discovery through which a Issuing House seeks to determine the price at which securities should be issued, based on the demand from Qualified Institutional Investor and High Net Worth Individuals, as defined by the SEC Rules.
“Business Day”	Any day except Saturdays, Sundays and public holidays declared by the Federal Government of Nigeria on which

	banks are open for general banking business in Lagos, Nigeria
“CAC”	Corporate Affairs Commission
“CAMA”	Companies and Allied Matters Act, 2020 (as amended from time to time)
“CBN”	Central Bank of Nigeria
“CIT”	Companies Income Tax
“CITA”	Companies Income Tax Act Cap C21, LFN, 2004 (as amended from time to time)
“CGT”	Capital Gains Tax
“Clearing Price”	The final Coupon Rate for the Bonds agreed among the Issuer and Issuing Houses following the Book Build
“Conditions” or “Terms and Conditions”	Terms and Conditions in accordance with which the Bonds will be issued, set out in the section headed “Terms and Conditions of the Bonds” in the Shelf Prospectus, the Programme Trust Deed and the Series 2 Bonds Trust Deed
“Confirmation Notices”	The notification issued to each Applicant confirming the Bonds allocated to the Applicant following the conclusion of the Book Build and determination of the relevant clearing price
“Coupon”	The interest payable to Bondholders as specified in this Pricing Supplement
“Coupon Commencement Date”	In relation to the Series 2 Bonds, the date specified in this Pricing Supplement from (and including) the date on which the Bond starts to bear Coupon
“Coupon Payment Date”	Means payment dates specified in the amortisation schedule on which coupon and/or principal are due and payable in respect of the Series 2 Bonds
“CSCS” or the “Clearing System”	Central Securities Clearing System Plc
“Depository”	Central Securities Clearing Systems PLC, FMDQ Depository Limited or any successor depository which may be appointed in future
“Daily Official List”	The publication of the NGX, published daily, providing information on all securities quoted on its Exchange
“Daily Quotation List”	The publication of the FMDQ Exchange, published daily, providing information on all securities quoted on its Exchange.

“Exchange”	The FMDQ Exchange or the NGX Exchange or any other securities exchange recognised by the Commission
“FGN”	Federal Government of Nigeria
“Fixed Rate”	The rate of interest payable in respect of Fixed Rate Bonds
“Fixed Rate Bonds”	Bonds in respect of which interest is to be calculated and paid on a fixed rate basis and will not change during the life of the Bonds
“FMDQ” or “FMDQ Exchange”	FMDQ Securities Exchange Limited
“Funding Date”	The date at which the Payment Account must be funded by the Issuer
“GCR”	Global Credit Rating Company Limited
“ISA”	Investments and Securities Act (No 29 of 2007) (as amended)
“Issue Date”	The date on which a Bond is issued and when accrual of the Coupon on the Bond commences
“Issue Documents”	Pricing Supplement, Series Trust Deed, Vending Agreement, Reporting Accountants Report, Solicitors’ Opinion on Claims and Litigation, Rating Reports and other documents that provide information to potential investors with respect to the Series 2 Bond Issue
“Issue Price”	The price at which a Bond is issued as specified in this Pricing Supplement
“Issuer” or the “Company” or “Obligor”	Sundry Foods Funding SPV PLC
“Issuing Houses”	CardinalStone Partners Limited FCMB Capital Markets Limited Stanbic IBTC Capital Limited
“LFN”	Laws of the Federation of Nigeria 2004
“Maturity Date”	The date as specified in this Pricing Supplement on which the principal amount and Coupon is due for redemption
“Naira”, “NGN” or “N” or “ <del>N</del> ”	The Nigerian Naira
“Nigeria”	The Federal Republic of Nigeria, and the term “Nigerian” shall be construed accordingly
“NGX Exchange” or “NGX”	Nigerian Exchange Limited
“Payment Account”	An account opened by the Issuer, in the name of, managed and controlled by the Trustees and into which the Issuer shall make payments in accordance with the terms of the Series 2

	Bonds
“Participation Amount”	The amount an Applicant offers for the purchase of the Bonds
“PIT”	Personal Income Tax
“PITA”	Personal Income Tax Act Cap, P8, LFN 2004 (as amended from time to time)
“Pricing Supplement”	This document being issued pursuant to the Shelf Prospectus which provides final terms and conditions of the Series 2 Bonds issued under the Programme and read in conjunction with the Shelf Prospectus.
“Principal Amount”	The nominal amount of the Series 2 Bonds, as specified in this Pricing Supplement
“Qualified Investor”	Qualified Institutional Investor or High Net Worth Investor as defined by the SEC Rules. Institutional purchasers of securities shall include Banks, fund managers, pension fund administrators, insurance companies, investment/unit trusts, multilateral and bilateral institutions, registered and/or verifiable private equity funds and hedge funds, market makers, staff schemes, trustees/custodians, stock broking firms and any other category as the Commission may determine from time to time
“Rating Agencies”	Agusto & Co Limited, GCR or any other rating agency recognized by SEC that may be appointed
“Record Date”	The date falling no later than 15 Business days prior to a Payment Date on which the list of holders of the Bonds is extracted from the Register for the purposes of making Coupon payments and/or principal repayments
“Receiving Bank”	Fidelity Bank PLC
“Redemption Amount”	Means, the principal amount in respect of the Series 2 Bonds payable on the scheduled Payment Dates specified in the amortisation schedule
“Redemption Table”	Means the table set out in the Schedule 2 of the applicable Series 2 Trust Deed
“Registrar”	Crescent Registrars Limited or any other person so appointed by the Issuer
“Reporting Accountant”	Ernst & Young Nigeria or any other person that may be appointed as Reporting Accountant
“SEC Rules” or “Rules and Regulations”	The rules and regulations of the Securities & Exchange Commission (2013) issued pursuant to ISA as may be amended from time to time

“SEC” or the “Commission”	Securities & Exchange Commission
“Series 2 Trust Deed”	A deed supplementing or modifying the provisions of the Programme Trust Deed entered into by the Issuer, Co- Obligor and the Trustees with regards to the Series 2 Bonds and empowering the Trustees to hold, administer and manage the applicable assets
“Shelf Prospectus” or “Prospectus”	The Prospectus that Sundry Foods Funding SPV PLC has filed and registered in accordance with the Rules and Regulations, which contains details of the Bond Issuance Programme
The “Sponsor” or “Co-Obligor” or “Note Issuer”	Sundry Foods Limited
“Trust Deed” or “Programme Trust Deed”	The Programme Trust Deed between the Issuer, the Co-Obligor and the Trustees by which the Bond Issuance Programme is constituted
“Trust Deeds”	The Programme Trust Deed and the Series 2 Trust Deed
“Trustees”	ARM Trustees Limited, CardinalStone Trustees Limited and United Capital Trustees Limited which are granted fiduciary power by the Issuer to enforce the terms and conditions of the Bond Issuance Programme
“Validity Period”	A period expiring three (3) years from the date of executing the Shelf Prospectus and other Programme documents, during which, bonds may be issued under the Programme
“VAT”	Value Added Tax
“WHT”	Withholding tax
“Redemption Amount”	Means, the principal amount in respect of the Series 2 Bonds payable on the scheduled Payment Dates specified in the amortisation schedule

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## **2. DOCUMENTS TO BE INCORPORATED BY REFERENCE**

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This Pricing Supplement should be read and construed in conjunction with the Shelf Prospectus, stand-alone and group audited financial statements (and notes thereto), management accounts and any audited interim financial statements published subsequent to such audited financial statements of the Issuer and Co-Obligor for the five financial years prior to issue of the Series 2 Bonds, which shall be deemed to be incorporated in, and to form part of this Pricing Supplement. The content of these aforementioned documents shall be regarded as modifications to and replacements of the contents of this Pricing Supplement.

Any statement contained in a document that is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Pricing Supplement to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Pricing Supplement.



### 3. SUMMARY OF THE OFFER

The following are the final terms of the Series II Bonds that are the subject of this Pricing Supplement. These terms and conditions are only applicable to this Issue

1. Issuer: Sundry Foods Funding SPV PLC (“Sundry Foods SPV”)
2. Sponsor/Co-Obligor/Note Issuer: Sundry Foods Limited
3. Obligor: The Issuer and the Co-Obligor and “Obligor” means any of them
4. Description: 5 Year 16.00% Fixed Rate Bonds due 2028
5. Series Number: 2
6. Aggregate Nominal Amount: Up to ₦5,500,000,000.00
7.
  - i) Issue Price: At par. ₦1,000 (One Thousand Naira)
  - ii) Issue Coupon: 16.00%
  - iii) Coupon Basis: Fixed Rate
8.
  - i) Gross Proceeds: Up to ₦5,500,000,000.00
  - ii) Net Proceeds: ₦5,373,923,500.00
9. Subscription: Minimum of ₦10,000,000 (Ten Million Naira) (i.e. 10,000 units at ₦1,000 per unit) and multiples of ₦1,000,000 (One Million Naira) thereafter, except where the bid forms part of a cumulative bid from the same investor group (e.g. a Pension Fund Administrator) that is greater than the minimum subscription. Final allotment to respective bidders may be less than the minimum subscription if bids must be pro-rated for any reason
10. Denomination: ₦1,000 (One Thousand Naira)
11.
  - i) Issue Date: October 23, 2023
  - ii) Coupon Commencement Date: April 23, 2024
12. Tenor: 5 years
13. Maturity Date: October 23, 2028
14. Principal Moratorium: 12 (Twelve) months from the Issue Date of the Series 2 Bond
15. Principal Redemption/Re-Payment Basis: Amortized redemption of the Principal Amount following the expiration of a 12 (Twelve) month Principal Moratorium period on the repayment of the Principal Amount
16. Status of the Bond: The Series 2 Bonds are senior unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves, and at least pari passu with all

other senior unsecured obligations of the Issuer, present and future.

17. Payment Undertaking
- In consideration of the Bondholders investment in the Series 2 Bonds, the Co-obligor irrevocably and unconditionally undertakes to the Trustees on behalf of the Bondholders, that it will be severally and jointly responsible with the Issuer for the prompt settlement of the payment obligations of the Issuer to the Bondholders, with respect to the Series 2 Bonds
18. Listing:
- FMDQ Exchange and/or NGX
19. Method of Distribution:
- By way of a Book Build to Qualified Institutional Investors and High Net Worth Individuals
20. Use of Proceeds:
- The net proceeds of the Bond Issuance will be utilized for the purchase of the 5-year Fixed Rate Unsecured Notes issued by Sundry Foods Limited, under the terms of the Master Notes Issuance Agreement (“MNIA”) executed between Sundry Foods Funding SPV PLC, Sundry Foods Limited and the Trustees
21. Oversubscription:
- In the event of an oversubscription, the Issuer reserves the right to issue up to an additional 15% of the qualifying Book Building.
22. Source of Repayment:
- The coupon and principal repayment obligations from the Series 2 Bond issuance will be made out of the Payment Account. The Payment Account will be funded with the Issuer’s cash flows, unless otherwise specified.
- The Issuer will establish a Payment Account. The Payment Account will be funded by the Issuer and Sponsor on each Funding Date at least 5 (five) Business Days before the relevant Payment Date with an amount not less than the aggregate of the Principal Repayment and the Coupon due on the Bonds on the relevant Payment Date under the MNIA.
- The Trustees shall utilise the funds in the Payment Account for the purposes of effecting payments on the Bonds in accordance with the Pricing Supplement and this Trust Deed.
23. Event of Default:
- Any of the conditions, events or acts that are provided in Clause 6 (Events of Default) of the Series 2 Trust Deed, being events upon the happening of which the Series 2 Bonds are repayable on demand once the Trustees demand the repayment.

## PROVISIONS RELATING TO COUPON (IF ANY) PAYABLE

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24. Fixed Rate Bond Provisions:

- |      |  |  |
|------|--|--|
| i.   | Coupon Rate:   | 16.00% per annum   |
| ii.  | Coupon Payment Dates(s):   | Semi-annual coupon payments, payable in arrears on the 4 <sup>th</sup> and 10 <sup>th</sup> month of each year from the Issue Date up to and including the Maturity Date   |
| iii. | Coupon Amount (s):   | Please refer to the Interest and Principal Amortization Payment Schedule on page 25  |
| iv.  | Business Convention  | <b>Modified Following Business Day:</b> Where a Coupon Payment Date falls on a non-Business Day, such payment shall be postponed to the next day which is a Business Day provided that if such a Business Day falls into the next calendar month, such Coupon Payment Date shall be brought forward to the Business Day immediately preceding the non-Business Day |
| v.   | Day Count Fraction   | Actual/Actual (actual numbers of days in a month/actual number of days in the year)  |
| vi.  | Other terms relating to method of calculating interest for Fixed Rate Bonds: | Not Applicable   |

## PROVISIONS RELATING TO BOND REDEMPTION

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- |     |  |   |
|-----|--|---|
| 25. | Optional Early Redemption (Call Option): | Callable at par, subject to obtaining prior regulatory approval, at any time, if an Event of Default occurs upon required notice a minimum of thirty (30) days and maximum of sixty (60) days to the Bondholders                                  |
| 26. | Optional Early Redemption (Put Option):  | Not Applicable  |
| 27. | Scheduled Redemption Dates:              | The dates as stipulated in Column B of the Redemption Table being the date on which the relevant instalment of the Principal Amount indicated in Column C of the Redemption Table must be redeemed as set out in the applicable Series Trust Deed |
| 28. | Final Redemption Amount of each note:    | ₦1,000  |

## DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS

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- |     |               |   |
|-----|---------------|---|
| 29. | Form of Bonds | Electronic registration on the Central Securities Clearing System |
|-----|---------------|---|

	(CSCS) and or FMDQ Depository (FMDQ-D)
30. Form of Dematerialized Bonds	Registered
31. Registrar	Crescent Registrars Limited
32. Clearing System	CSCS and/or FMDQ-D
33. Joint Trustees	ARM Trustees Limited CardinalStone Trustees Limited United Capital Trustees Limited
34. Record Date:	No Bondholder may require the transfer of a Bond to be registered during the period of fifteen (15) days ending on the due date for any payment of principal or Coupon on the Bond
35. Bonds Settlement	Bonds purchases will be settled by electronic funds transfers through either CBN Inter-Bank Funds Transfer System ("CIBFTS"), National Electronic Funds Transfer ("NEFT") or Real Time Gross Settlement ("RTGS") or other platforms recognized by the CBN.
36. Payment Agent	Crescent Registrars Limited
37. Offer Period	See timetable on page 21

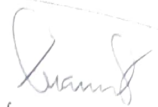




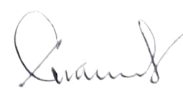

#### GENERAL PROVISIONS APPLICABLE TO THE BONDS

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38. Issuer Rating	A- (Agusto & Co) A- (GCR)
39. Issue Rating	"A-" (Agusto & Co) "A-" (GCR)
40. Underwriting	Not Applicable
41. Taxation	See "Tax Considerations" on page 19
42. Indebtedness	The total outstanding debt issuance of the Sponsor as at 30 June 2023 was ₦5.32 billion
42. Governing Law	The Bonds will be governed by, and construed in accordance with the laws of the Federal Republic of Nigeria
43. Risk Factors	See Risk Factors Ouse OF proceedn page 84-90 of the Shelf Prospectus dated December 15, 2021


#### 4. PARTIES TO THE ISSUE




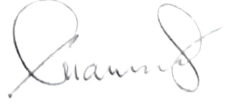

##### Directors and Company Secretary of the Issuer

The Issuer	<b>Sundry Foods Funding SPV PLC</b> 23 Nzimiro Street Old GRA Port Harcourt Rivers State Website: <a href="http://sundryfood.com">sundryfood.com</a> Email address: <a href="mailto:info@sundryfood.com">info@sundryfood.com</a> Phone number: 08037543131 <div style="text-align: right;">                       Nnamdi Opara                 </div>
Directors	<b>Ebele Enunwa</b> <b>Director</b> 23 Nzimiro Street Old GRA Port Harcourt Rivers State <div style="text-align: right;">  </div>
	<b>Nnamdi Opara</b> <b>Director</b> 23 Nzimiro Street Old GRA Port Harcourt Rivers State <div style="text-align: right;">                       Nnamdi Opara                 </div>
Audit Committee Members	<b>Nigel Bannerman</b> 23 Nzimiro Street Old GRA Port Harcourt Rivers State <div style="text-align: right;">  </div>
	<b>Blessing Odita</b> 23 Nzimiro Street Old GRA Port Harcourt Rivers State <div style="text-align: right;">  </div>
	<b>Adewale Osobukola</b> 23 Nzimiro Street Old GRA Port Harcourt Rivers State <div style="text-align: right;">  </div>
	<b>Christian Ejekam</b> 23 Nzimiro Street Old GRA Port Harcourt Rivers State <div style="text-align: right;">                       Nnamdi Opara                 </div>

Company Secretary	<b>Sojiye Lilly-Tariah</b> 25 Trans Amadi Road Port Harcourt Rivers State 
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Directors and Company Secretary of the Sponsor

The Sponsor	<b>Sundry Foods Limited</b> 23 Nzimiro Street Old GRA Port Harcourt Rivers State Website: <a href="http://sundryfood.com">sundryfood.com</a> Email address: <a href="mailto:info@sundryfood.com">info@sundryfood.com</a> Phone number: 08037543131  Nnamdi Opara
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Directors	<b>Adedotun Sulaiman</b> <b>Chairman</b> 23 Nzimiro Street Old GRA Port Harcourt Rivers State   <b>Ebele Enunwa</b> <b>Managing Director</b> 23 Nzimiro Street Old GRA Port Harcourt Rivers State   <b>Nnamdi Opara</b> <b>Executive Director</b> 23 Nzimiro Street Old GRA Port Harcourt Rivers State   <b>Blessing Odita</b> <b>Non-Executive Director</b> 23 Nzimiro Street Old GRA Port Harcourt Rivers State   <b>Nnaemeka Obiakor</b> <b>Non-Executive Director</b> 23 Nzimiro Street Old GRA  Nnamdi Opara
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	Port Harcourt Rivers State  <b>Nigel Bannerman</b> <b>Non-Executive Director</b> 23 Nzimiro Street Old GRA Port-Harcourt Rivers State <i>Nnamdi Opara</i>
Company Secretary	<b>PrimeLaw Partnership</b> 25 Trans Amadi Road Port Harcourt Rivers State <i>Lojize Lily Tariah</i>

#### Professional Parties to the Issue

Lead Issuing House	<b>CardinalStone Partners Limited</b> 5 Okotie Eboh Street Ikoyi Lagos <i>Ojebichem Obiyemi</i> <i>Oelut</i>
Joint Issuing House	<b>FCMB Capital Markets Limited</b> First City Plaza (6th Floor) 44 Marina Lagos <i>I. OMERUWA</i> <i>IKECHUKWU OMERUWA</i>  <b>Stanbic IBTC Capital Limited</b> I.B.T.C. Place Walter Carrington Crescent Victoria Island Lagos <i>Gamaye</i> <i>OYINDA AKINRIN</i>
Solicitor to the Issuer	<b>Duale, Ovia &amp; Alex-Adedipe</b> Plot 1B, Block 129 Jide Sawyer Drive Lekki Phase 1 Lagos <i>Ademip Duale</i>
Solicitor to the Issue	<b>Aluko &amp; Oyebo</b> 1, Murtala Muhammed Drive Ikoyi Lagos <i>Aluko &amp; Oyebo</i>
Joint Trustees	<b>ARM Trustees Limited</b> 1 Mekunwen Road Off Oyinkan Abayomi Drive Ikoyi <i>GOZIE ALOZIEUWA</i>

	<p>Lagos</p> <p><b>CardinalStone Trustees Limited</b> 5 Okotie Eboh Street Ikoyi Lagos</p> <p><b>United Capital Trustees Limited</b> Afriland Towers 3rd &amp; 4th Floors, Afriland Towers 97/105 Broad Street Lagos</p> <p><b>Joint Trustees Advised by:</b> Templars 5th Floor, The Octagon 13A, A. J. Marinho Drive Victoria Island Lagos</p>
Stockbroker to the Issue	<p><b>CardinalStone Securities Limited</b> 5 Okotie Eboh Street Ikoyi Lagos</p>
Sponsor's Auditor	<p><b>Deloitte &amp; Touche (Chartered Accountants)</b> Civic Towers Ozumba Mbadiwe Avenue Victoria Island Lagos</p>
Registrars	<p><b>Crescent Registrars Limited</b> 23, Olusoji Idowu Street Ilupeju Lagos</p>
Rating Agencies	<p><b>Agusto &amp; Co. Limited</b> UBA House (5th Floor) 57 Marina Lagos</p> <p><b>Global Credit Rating Co. Limited</b> New Africa House (17th Floor) 31 Marina Lagos</p>
Reporting Accountant	<p><b>Ernst &amp; Young Nigeria</b> UBA House (10th Floor)</p>

Mohammed Garyb9

Shunni Avenue

Chike OBIANUWA  
for Templars

Peter Omoregie

Nigbo  
Chunwa Nigbo

Riscs Enwe

Adesiyi OluKoya

Sulal Ayiola-Farayola

Adewuyi Adejemo

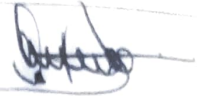


57 Marina  
Lagos

Receiving Bank

**Fidelity Bank PLC**

Fidelity Place, 2 Kofo Abayomi St,  
Victoria Island  
Lagos



Tony Omyekakie (P5880)

## 5. CONSENTS

The following have given and not withdrawn their written consents to the issue of this Pricing Supplement with their names and reports (where applicable) included in the form and context in which they appear:

<b>Directors of Sundry Foods Funding SPV PLC:</b>	Ebele Enunwa Nnamdi Opara
<b>Company Secretary of Sundry Foods Funding SPV PLC:</b>	Sojiye Lilly-Tariah
<b>Directors of Sundry Foods Limited:</b>	Adedotun Sulaiman Ebele Enunwa Nnamdi Opara Blessing Odita Nnaemeka Obiakor Nigel Bannerman
<b>Company Secretary of Sundry Foods limited:</b>	Sojiye Lilly-Tariah
<b>Lead Issuing House:</b>	CardinalStone Partners Limited
<b>Joint Issuing Houses:</b>	FCMB Capital Markets Limited Stanbic IBTC Capital Limited
<b>Solicitor to the Issuer:</b>	Duale, Ovia & Alex-Adedipe
<b>Solicitor to the Issue:</b>	Aluko & Oyebode
<b>Joint Trustees:</b>	ARM Trustees Limited CardinalStone Trustees Limited United Capital Trustees Limited
<b>Reporting Accountant:</b>	Ernst & Young Nigeria
<b>Auditor:</b>	Deloitte & Touche (Chartered Accountants)
<b>Receiving Banks:</b>	Fidelity Bank PLC
<b>Stockbroker:</b>	CardinalStone Securities Limited
<b>Rating Agencies:</b>	Agusto & Co. Limited Global Credit Rating Co. Limited
<b>Registrars:</b>	Crescent Registrars Limited

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## 6. TAX CONSIDERATIONS

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*The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of Instruments issued under the Programme. In particular, it does not constitute a representation by the Issuer or its advisers of the tax consequences attaching to a subscription or purchase of Instruments issued under the Programme or applicable to all categories of investors.*

Under relevant tax laws, income accruing in, derived from, brought into, or received in Nigeria in respect of dividends, interest, royalties, discounts, charges, or annuities is subject to tax. Consequently, interest payments on the Bonds by the Issuer would ordinarily be subject to withholding tax at the applicable rate, currently at 10 percent.

In 2010, however, Nigeria's taxation landscape underwent a major change as the FGN announced that it would exempt certain taxes on all categories of bonds (including corporate bonds) and short-term government securities such as treasury bills. The FGN approved a waiver of capital gains tax and income tax on all forms of debt instruments and the legislative and administrative processes required to give legal effect to the waivers save for the waiver on capital gains tax have been implemented.

In furtherance of the waiver, the FGN issued the Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order 2011 (the "CIT Order"), which exempted bonds issued by corporate bodies from tax imposed under the CITA for a period of 10 (ten) years from the effective date of the CIT Order being 2 January 2012. Given that the CIT Order expired on 2 January 2022 and was not extended, interest payment to corporate entities who are Bondholders will be subject to withholding tax and as required by applicable law the Issuer acting through the Trustees and Registrars may be required to withhold tax on interest payment for remittance to the relevant tax authority. In view of the above, where any Bonds issued under the Programme continue to remain outstanding beyond 1st January 2022, corporate bondholders will be subject to CIT on all coupon payments received under the Bonds.

PITA also exempts from taxation any income earned by an individual from Bonds issued by corporate bodies such as the Issuer. There is no limitation period for the exemption granted in the PITA. Thus, except as otherwise provided by any subsequent amendments to the PITA, interest payments by the Issuer to individual Bondholders subject to the PITA will not be subject to withholding tax.

In relation to capital gains tax, whilst there is no capital gains tax payable upon the disposal of any Nigerian government securities in Nigeria, under the provisions of the Capital Gains Tax Act, Chapter C1 LFN 2004 ("CGT Act"), capital gains tax is chargeable on gains derived from the sale of bonds and debt instruments other than Nigerian government securities (i.e. federal, state and local government bonds). However, capital gains tax may, in future, not be charged on gains realised from a disposal of corporate bonds or other non-governmental debt instruments. This is so because the FGN has approved a waiver of capital gains tax on gains from disposal of corporate bonds, but the legislative and administrative processes required to give legal effect to the waiver have not yet been implemented.

The proceeds from the disposal of corporate bonds issued by Nigerian corporate entities are also exempt from VAT in accordance with the Value Added Tax (Exemption of Proceeds of the Disposal of Government and Corporate Securities) Order 2011 ("VAT Exemption Order"). This exemption applies for a period of 10 (ten) years from the date of the VAT Exemption Order, (i.e., the exemption expired on 2 January 2022 (where same was not extended)). Thus, VAT was not payable upon a disposal of the Bonds during the subsistence of the VAT

Exemption Order. While the VAT Exemption Order expired in 2022, the Finance Act, 2020 now excludes securities from the payment of VAT. As such, the Bonds will not be liable to VAT even after the expiration of the VAT Exemption Order.

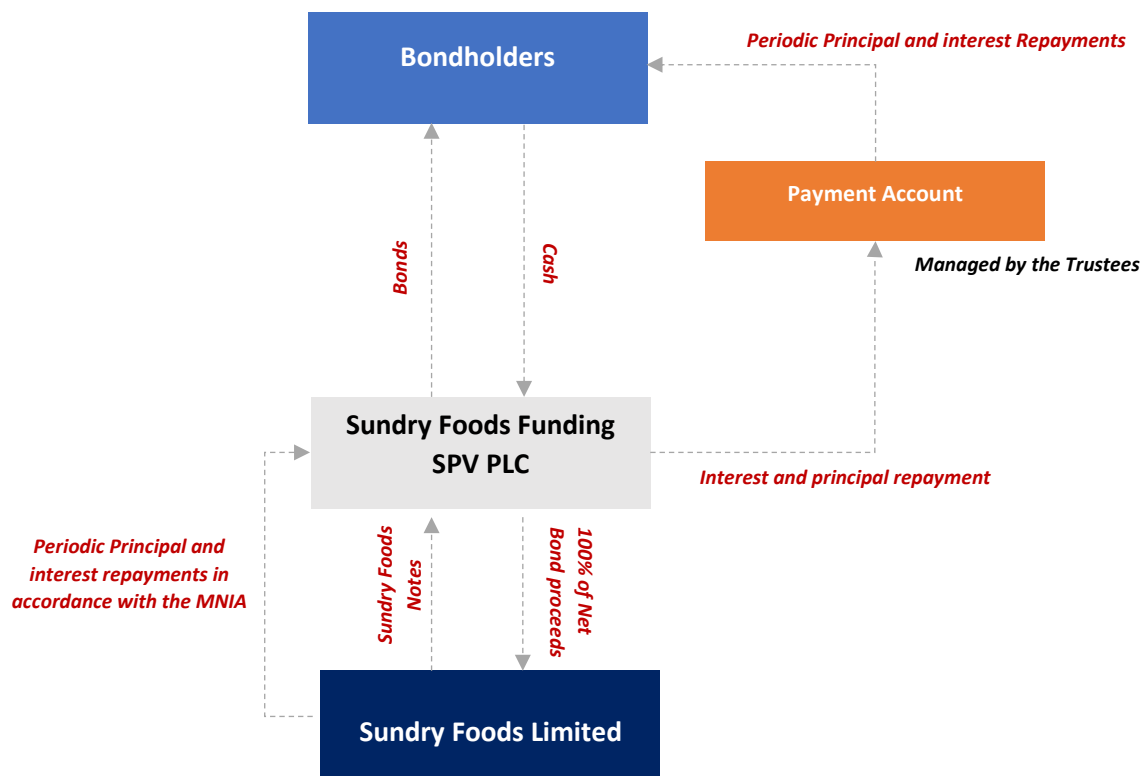
Furthermore, the Value Added Tax (Exemption of Commissions on Stock Exchange Transactions) Order, 2014 exempted the imposition of VAT on (a) commissions earned on traded value of the shares, and (b) commissions payable to the SEC, The Nigerian Stock Exchange (now Nigerian Exchange Limited) and the Central Securities Clearing System for a period of five (5) years from the commencement date of the order - 25 July 2014. Given that this Order expired in 2019 and was not extended, Bondholders will be required to pay VAT on commissions payable to the SEC, NGX Exchange and Depository, in respect of the Bonds.

## 7. INDICATIVE TRANSACTION TIMELINE

Date	Activity	Responsibility
Sep 22 2023	Receive SEC approval to commence book building	Lead Issuing House
Sep 26 2023	Commence Book Build	Issuing Houses
Oct 11 2023	Conclude Book Building/Determine Clearing Price and Allocation of Bonds	Issuing Houses
Oct 13 2023	Update pricing supplement and other Issue documents and file with SEC	Lead Issuing House
Oct 19 2023	Obtain the SEC clearance of the documents and 'No Objection' to convene signing ceremony	Lead Issuing House
Oct 23 2023	Hold Signing Ceremony	All Parties
Oct 23 2023	Dispatch Allocation Confirmation Notices to successful participants	Issuing Houses
Oct 23 2023	Effect payment of Participation Amounts to Receiving Bank	Successful Participants
Oct 24 2023	Remit Bond Proceeds to the Issuer	Receiving Bank
Oct 25 2023	File executed Issue Documents with the SEC	Lead Issuing House
Oct 25 2023	File Allotment Proposal with SEC	Lead Issuing House
Nov 3 2023	Obtain SEC approval of the Allotment Proposal	Lead Issuing House
Nov 6 2023	Effect Allotment using an approved basis of allotment from SEC	Registrar
Nov 6 2023	Announce Allotment	Lead Issuing House
Nov 6 2023	Credit CSCS and FMDQ-D accounts of bond holders/ dispatch soft copies of e-allotment advice to Bondholders' emails	Registrar
Nov 17 2023	Listing of Bond on FMDQ and/or NGX	Lead Issuing House/Stockbroker
Dec 4 2023	File post allotment compliance report with SEC	Lead Issuing House

**\*NB: These dates are indicative and are subject to change.**

## 8. DESCRIPTION OF THE ISSUE



Key features of the Issuance include:

- The Issuer, Sundry Foods Funding SPV PLC, is a special purpose vehicle that will issue Bonds to Qualified Investors
- The Issuer will use the net proceeds of the Bonds issued under the Programme to purchase the Notes through a private placement constituted by the Master Notes Issuance Agreement
- The Issuer will establish a Payment Account. The Payment Account will be funded by the Issuer and Sponsor on each Funding Date at least 5 (five) Business Days before the relevant Payment Date with an amount not less than the aggregate of the Principal Repayment and the Coupon due on the Bonds on the relevant Payment Date under the MNIA.
- The coupon and principal repayment obligations from the Series 2 Bond issuance will be made out of the Payment Account.
- The Trustees shall utilise the funds in the Payment Account for the purposes of effecting payments on the Bonds in accordance with the Pricing Supplement and this Trust Deed.
- The Bonds are backed by an Undertaking issued by Sundry Foods Limited in favour of the Trustees on behalf of Bondholders and supporting all the obligations of the Issuer under the Programme.

## 9. USE OF PROCEEDS

### Sundry Foods Funding SPV PLC

The net proceeds of the Series 2 Bond issuance will be utilized for the purchase of Notes issued by the Sponsor (Note Issuer) on similar terms through a private placement constituted by the Master Notes Issuance Agreement as follows:

Use of Proceeds*	Amount (₦)	%	Estimated Completion Period
Purchase of Notes issued by the Sponsor (Note Issuer)	5,373,923,500.00	98%	Immediate
Cost of Issuance	126,076,500.00	2%	Immediate
<b>Total</b>	<b>5,500,000,000.00</b>	<b>100%</b>	

\*The estimated offer costs of ₦126,076,500 - representing **2.292%** of the gross offer proceeds – will be deducted from the gross proceeds.

### Sundry Foods Limited

The proceeds of the Note Issuance by the Sponsor will be utilized as follows:

Use of Proceeds*	Amount (₦)	%	Estimated Completion Period
Repayment of a bridge finance facility	1,900,000,000.00	35%	Immediate
Development of new outlets and other capital expenditure	2,373,923,500.00	44%	Up to 24 months
Working Capital	1,100,000,000.00	20%	Up to 12 months
<b>Total</b>	<b>5,373,923,500.00</b>	<b>100%</b>	

#### Details of bridge finance facility to be refinanced from bond proceeds:

S/N	Lender	Facility Type	Amount (₦'mn)
1	Accel Partners	Short-Term Loan	400
2	CSAdvance Finance Company Limited	Short-Term Loan	500
3	Thames Capital Partners Limited	Short-Term Loan	1,000
	<b>Total</b>		<b>1,900</b>

**Details of capital expenditure:**

Nine (9) new outlets are to be opened in the indicative locations listed below:

S/N	Proposed Locations between 2023 and 2025	Number of Outlets	Budgeted Amount (₦)
1	Delta	1	345,000,000.00
2	Benin	1	245,000,000.00
3	Kaduna	3	628,923,500.00
4	Rivers	3	860,000,000.00
5	Aba	1	295,000,000.00
	<b>Total</b>	<b>9</b>	<b>2,373,923,500.00</b>



## 10. COUPON AND PRINCIPAL AMORTISATION SCHEDULE

The following table indicates the semi-annual coupon payments due to Bondholders during the tenor of the Issue.

Period	Bond Obligation Repayment Dates	Semi-annual Interest Payment (₹)	Principal Repayments Payment (₹)	Total Repayments Payment (₹)
Payment 1	April 23, 2024	433,125,000.00	-	433,125,000.00
Payment 2	October 23, 3024	433,125,000.00	-	433,125,000.00
Payment 3	April 23, 2025	433,125,000.00	519,420,957.50	952,545,957.50
Payment 4	October 23, 3025	392,220,599.60	560,325,357.90	952,545,957.50
Payment 5	April 23, 2026	348,094,977.66	604,450,979.84	952,545,957.50
Payment 6	October 23, 3026	300,494,463.00	652,051,494.50	952,545,957.50
Payment 7	April 23, 2027	249,145,407.81	703,400,549.69	952,545,957.50
Payment 8	October 23, 3027	193,752,614.52	758,793,342.98	952,545,957.50
Payment 9	April 23, 2028	133,997,638.76	818,548,318.74	952,545,957.50
Payment 10	October 23, 3028	69,536,958.66	883,008,998.84	952,545,957.50

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## 11. PROCEDURE FOR APPLICATION AND ALLOTMENT

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### i. Invitation for Participation

Qualified Investors are hereby invited to participate in the Issue through the Issuer and the Issuing Houses to the Issue (“the Selling Group”) who shall be the receiving agents for the Series 2 Bonds offer.

- 1.1. The Book Building opens on Tuesday, September 26, 2023 and closes on Wednesday, October 11, 2023. Orders must be for a minimum of ₦10,000,000 (Ten Million Naira) (i.e. 10,000 units at ₦1,000 per unit) and multiples of ₦1,000,000 (One Million Naira) thereafter, except where the bid forms part of a cumulative bid from the same investor group (e.g. a Pension Fund Administrator) that is greater than the minimum subscription. Final allotment to respective bidders may be less than the minimum subscription if bids must be pro-rated for any reason.
- 1.2. The amount indicated on a Commitment Form by a Participant (“Participation Amount”) and the rate within the price range indicated in the Commitment Form by a Participant (“Bid Coupon Rate”) should be entered in the space provided in the prescribed Commitment Form attached to this Pricing Supplement (the “Commitment Form”).
- 1.3. By completing the Commitment Form, each Participant hereby agrees that *the Order is irrevocable* and, to the fullest extent permitted by law, the obligations in respect thereof shall not be capable of rescission or termination by any Participant.
- 1.4. Participants shall not be entitled to withdraw/modify orders after the book building closing date.
- 1.5. Participants may order the Bonds at any price within the Price Range subject to the Minimum Participation Amount and the terms and conditions stated on the Commitment Form.
- 1.6. A corporate Participant is required to affix its official seal in the box provided and state its incorporation (RC) Number; and in the case of a corporate foreign subscriber, its appropriate identification/incorporation number in the jurisdiction in which it is constituted.
- 1.7. Upon the completion and submission of the Commitment Form, the Participant is deemed to have authorised the Issuer and the Issuing Houses to effect the necessary changes in the Pricing Supplement as would be required for the purposes of filing an application for the clearance and registration of the Final Pricing Supplement with the SEC. The Commitment Form shall be considered as the Application Form for the purposes of registration of the Final Pricing Supplement with the SEC.
- 1.8. Participants shall have the option to make a maximum of three Orders on a single Commitment Form and such options shall not be considered as multiple applications.
- 1.9. The Commitment Form presents the Participant with the choice to bid for up to three (3) optional Bid Coupon Rates within the Price Range and to specify the Participation Amount in each option. The Bid Coupon Rates and the Participation Amounts submitted by the Participant in the Commitment Form will be treated as optional demands from the Participant and will not be cumulated.
- 1.10. After determination of the Coupon Rate, the maximum Participation Amount specified by a Participant at or below the Clearing Price will be considered for allocation and the rest of the order(s), irrespective of the corresponding Bid Coupon Rate(s), will become automatically invalid.

- 1.11. The Issuer, in consultation with the Issuing Houses, reserves the right not to proceed with the Issue at any time including after the Book Building Opening Date but before the Allotment Date without assigning any reason therefore but after notification to the SEC.

**ii. Payment Instructions**

Successful Participants should ensure that payment of the Participation Amount is received on the Signing Ceremony Date via the Real Time Gross Settlement (“RTGS”) or other settlement platforms recognized by the CBN into the following designated Issue Proceeds Accounts domiciled with the Receiving Banks:

Bank	Account Name	Account No.	Sort Code
Fidelity Bank PLC	CARDINALSTONE/SUNDRY FOODS SPV SERIES2 BOND(OFFER PROCEED ACCOUNT	5110042606	070211227

**iii. Allocation/Allotment**

- 3.1. On the Pricing Date, the Issuing Houses will analyze the demand generated at various price levels and, in consultation with the Issuer, finalise the Coupon Rate and the allocations to each Participant. Allocation Confirmation Notices will be sent to successful Participants thereafter.
- 3.2. The Directors of Sundry Foods Funding SPV PLC and the Issuing Houses reserve the right to accept or reject any application in whole or in part for not complying with the terms and conditions of the Issue.
- 3.3. Upon clearance of the Final Pricing Supplement by the SEC, allotment of Bonds shall be effected in a dematerialized (uncertificated) form. **Participants are mandatorily required to specify their Bank Verification Number (BVN), CSCS or FMDQ-D Account Number, the name of their Stockbroking Firm, CHN or BPID in the spaces provided on the Commitment Form.**

**iv. Bank Account Details**

- 4.1. Bidders are required to indicate their bank account details in the space provided on the Commitment Form for the purposes of future payments of Coupon and the Principal Amount.
- 4.2. Bidders are advised to ensure that bank account details stated on the Commitment Form are correct as these bank account details shall be used by the Registrar for all payments indicated in 4.1 above in connection with the Bonds.
- 4.3. Failure to provide correct bank account details could result in delays in the credit of the payments to investors. The Issuer, the Issuing Houses, the Receiving Bank, the Trustees and the Registrar shall not have any responsibility nor will any of these specified parties be liable for delays in payments due to incorrect bank account details being provided.



### DECLARATION BY THE ISSUER


This Pricing Supplement has been prepared by the Issuing House on behalf of Sundry Foods Funding SPV Plc ("Issuer") for the purpose of providing information and disclosures to investors on relevant aspects of the Issuer in connection with the Bond Issuance under the as indicated in this Pricing Supplement.

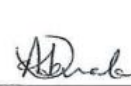
On behalf of the board of directors of the Issuer, we hereby make the following declarations:

- i) We confirm that the information in this Pricing Supplement is to the best of our knowledge in accordance with the facts and contains no omission likely to affect its import.
- ii) There has been no significant change in the financial conditions and there has been no material adverse change in the prospects of the Issuer since the date of this document.
- iii) The Issuer is not in breach of the terms and conditions in relation to borrowed monies which would result in the occurrences of any event of default and an immediate recall of such borrowed monies during the 12 (Twelve) months preceding the date of this Pricing Supplement.
- iv) No prosecution has been commenced against the Issuer during the preceeding 12 (Twelve) months in respect of any breach or contravention of any securities law or the Companies and Allied Matters Act, 2020 or the listing requirement of any recognised securities exchange.

Yours faithfully

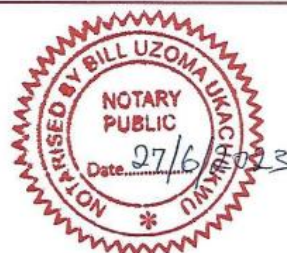
For and on behalf of Sundry Foods Funding SPV Plc

  
Ebele Enunwa  
Chief Executive Officer

  
Adewale Osubukola  
Chief Financial Officer

  
Sojiye Lilly-Tariah  
Company Secretary

23Nzimiro Street, Old GRA  
Port Harcourt, Nigeria  
Tel: +234 557192 | 8156592811  
Email: info@sundryfood.com  
Website: www.sundryfood.com



  
BILL UZOMA UKACHUKWU  
NOTARY PUBLIC  
SCN 027556  
PRIME LAW PARTNERSHIP  
Plot 013, Trans Amadi Road  
Port Harcourt, Rivers State



#### DECLARATION BY THE SPONSOR

This Pricing Supplement has been prepared by the Issuing House on behalf of Sundry Foods Limited ("Sponsor") for the purpose of providing information and disclosures to prospective investors on relevant aspects of the Sponsor in connection with the Bond Issuance under the Programme as indicated in the Pricing Supplement.

On behalf of the board of directors of the Sponsor, we hereby make the following declarations:

- i) We confirm that the information in the Pricing Supplement is to the best of our knowledge in accordance with the facts and contains no omission likely to affect its import.
- ii) There has been no significant change in the financial conditions and there has been no material adverse change in the prospects of the Sponsor as at the date of this document.
- iii) The Sponsor is not in breach of the terms and conditions in relation to borrowed monies which would result in the occurrences of any event of default and an immediate recall of such borrowed monies during the 12 (twelve) months preceding the date of the Pricing Supplement.
- iv) No prosecution has been commenced against the Sponsor during the preceeding 12 (twelve) months in respect of any breach or contravention of any securities law or the Companies and Allied Matters Act, 2020 or the listing requirement of any recognised securities exchange.

Signed for and on behalf of

**Sundry Foods Limited by its duly authorised representatives**

A handwritten signature in black ink, appearing to be "Ebele Enunwa".

**Ebele Enunwa**  
Chief Executive Officer

A handwritten signature in black ink, appearing to be "Adewale Osubukola".

**Adewale Osubukola**  
Chief Financial Officer

A handwritten signature in black ink, appearing to be "Sojiye Lilly-Tariah".

**Sojiye Lilly-Tariah**  
Company Secretary

23, Nzimiro Street, Old GRA  
Port Harcourt, Nigeria  
Tel: +234 557192 | 8156592811  
Email: info@sundryfood.com  
Website: www.sundryfood.com



**Memorandum of Association**

The objects for which the Sponsor is established are:

1. To carry on the business of operating a chain of fast food or quick service restaurants, bakeries, confectioneries, and all other businesses relating thereto, and the provision of in-door and out-door catering and all other culinary services
2. To carry on the business of production, preparation, importation, exportation, distribution, promotion, purchasing, sales and marketing of all forms of edibles, whether in liquid or solid form, including but not limited to beverage, alcoholic and non-alcoholic drinks, juice, water and all materials and products relating but not limited thereto
3. Importation and local sourcing of raw materials, equipment, machines, furniture, utensils, and all implements needed for the purpose of carrying into effect the business of the company
4. To engage in the business of eatery, restaurant and hotel management, real estate and property acquisition and development, trading and brokerage
5. To provide managerial and technical expertise for all kinds of business undertakings and to enter into any franchise agreement or acquire any license for the purpose of undertaking a business venture
6. To establish and promote and become partners in partnership/ventures established for the purpose of carrying on trade or business of any description anywhere in the world and to acquire and dispose shares and interests in such partnerships/ventures
7. To purchase or sell, take or let on lease, take or give exchange or on hire, or otherwise acquire, grant, hold or dispose of any estate or interest in any lands, building, easements, concessions, machinery plant, stock in trade, goodwill, trademarks, designs, patterns, patents, copyright or licenses, or any other real or personal property or any right, privilege, option, estate or interest
8. To sell, lease, let or hire, improve, manage, develop, mortgage, dispose of, turn to account or otherwise deal with all or any of the property and rights and undertakings of the company for such consideration as the company may think fit
9. To borrow or raise money for the purpose of the company and its clients and for that purpose to mortgage or otherwise charge the whole or any part of the company's undertakings, property and assets including the uncalled capital of the company
10. To engage in the export, import, trading and general merchandising of all commodities within and outside Nigeria
11. To remunerate any person, firm or company for services rendered, or to be rendered, in placing or assisting to place or guaranteeing the placing of any of the shares in the company's capital, or any debentures, debenture stock or other securities of the company, or in or about the formation or promotion of the company or the conduct of its business
12. To accept, draw, make, execute, discount and endorse bills of exchange, promissory notes or other negotiable instruments
13. To apply for and take out, purchase or otherwise acquire any trademarks, designs, patterns, patents, patent rights, inventions, or secret processes, which may be useful for the company's objects, and to grant licenses to use the same
14. To pay all the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and incorporation of the company
15. To cause the company to be registered or otherwise incorporated in any colony, dependency or foreign state where the company's operations are carried on in accordance with the laws of such colony dependency of foreign state
16. To establish or promote any company for the purpose of acquiring all or any of the property, rights and liabilities of the company or for any other purposes which may seem directly or indirectly calculated to benefit the company



17. To acquire and undertake the whole or any part of the assets and/or liabilities of any person, firm or company carrying on any business or a nature similar to that which this company is authorized to carry on
18. To amalgamate with any company having objects similar to those of this company
19. To sell or dispose of the whole undertakings of the company or any part thereof for such consideration as the company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this company
20. To subscribe or guarantee money for any charitable, benevolent, educational or social object, or for any exhibition, or for any exhibition, or for any public, general or useful objects, which the Directors may think desirable or advantages of the company
21. To establish and support or to aid in the establishment and support of any club, institution or organization calculated to benefit persons employed by the company or having dealings with the company
22. To invest the moneys of the company not immediately required soon on such securities and in such manner as the Directors may from time to time determine
23. Subject to the provisions of section 159 of the Companies and Allied Matters Act 1990, to grant credit facilities to such persons, firms or companies and on such terms as many seem expedient and in particular to customers and others having dealings with the company, and to guarantee the performance of contracts by such persons, firms or companies
24. To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture reciprocal concession, or otherwise, with any person or company carrying on or engages in, or about to carry on or engage in any business or transaction which this company is authorized to carry on or engage in, or about to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit this company, and to lend money to, guarantee the contracts of, or otherwise at any such person or company
25. To take, or otherwise acquire hold shares, debentures, debenture stock or other securities in any other company having objects altogether or in part similar to those of the company having objects altogether or in part similar to those of the company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this company
26. To grant bonuses, gratuities, pensions or charitable aid to persons employed by the company
27. To distribute any of the property of the company among its members in specie
28. To do all such things as are incidental or conducive to the attainment of the above objects or any of them

### **Article of Association**

#### **Alteration of Capital**

The Company may from time to time by Ordinary Resolution increase the share capital of the Company by such sum to be divided into shares of such amount and on such terms as the resolution shall prescribe.

#### **General Meeting**

1. The Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one Annual General Meeting of the company and that of the next; PROVIDED that so long as the Company holds its first Annual General Meeting within eighteen months of its incorporation it need not hold it in the year of its incorporation or in the following year.
2. The annual general meeting shall be held at such time and place as the Directors shall appoint.

3. All general meetings other than the Annual General Meeting shall be called Extraordinary General Meeting.
4. The Directors may, whenever they think fit, convene an Extraordinary General Meeting, and an Extraordinary General Meeting shall also be convened on such requisition, or in default, may be convened by such requisitionists as provided by Section 125 of the Decree. General meetings may be held outside of Nigeria if the Board of Directors so determine.

#### **Vote Of Members**

5. Each member shall have one vote for each share held by such member.
6. Except as otherwise specifically provided a resolution shall be passed by a simple majority of the votes.
7. Votes may be given either personally or by proxy.
8. A proxy if so authorised, shall be entitled to vote on all matters that the member could have voted on if he were present in person.
9. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation either under seal or under the hand of an officer or attorney duly authorised.
10. A proxy need not be a member of the Company.
11. An instrument appointing a proxy need not be in any particular form, so long as it is in English language, clearly stating the authority of the proxy and is effective against the member under the laws of the member's residence or jurisdiction of incorporation.
12. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
13. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid has been received by the company at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.
14. Subject to the provisions of the Decree, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be valid and effective as if same had been passed at a general meeting of the company duly convened and held.

#### **Powers And Duties of Directors**

15. There shall be a Board of Directors of the Company, which shall be composed of a minimum of two directors and a maximum of seven directors. The Directors shall appoint amongst themselves a Chairman who shall preside over the meetings of the Board.
16. The Board of Directors shall hold meetings as many times during the year as they deem necessary.
17. No business shall be transacted at meetings of the Board of Directors of the company, unless a quorum is present at the time when the meeting proceeds to business. A quorum shall be duly constituted if two members of the Board of Directors of the company are present at the commencement of the meeting.
18. The business of the Company shall be managed by the Board of Directors of the Company, and the Board may exercise all such powers of the Company as are not, by the Decree or any statutory modification thereof for the time being in force, or by these Articles required to be exercised by the Company in general meetings.
19. The Directors may, from time to time or at any time provide through Local Boards, Attorneys or Agencies for the management of the affairs of the Company outside Nigeria and may appoint any



persons to be members of such local Boards or as Attorneys or Agents and may remove any person as appointed and appoint others in their place and may fix their remuneration.

20. The Directors may from time to time or at any time delegate to any such local Board, Attorney or Agents any of the powers, authorities and discretion for the time being vested in the Directors, other than the power to make calls, forfeit shares, borrow money or issue debentures and any such delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time annual or vary such delegation.
21. Any Director may at any time appoint any other Director or any other person approved by a majority of the other Directors for the time being to be his alternate and may at any time remove any alternate Director appointed by him, and (subject to such approval as aforesaid) appoint another in his place. An alternate Director shall not be entitled to receive any remuneration from the Company nor shall it be necessary for him to acquire or hold any qualification share, but he shall be entitled (subject to his giving to the Company an address within Nigeria at which notices may be served on him) to receive notice of meeting, of the Directors and to attend and vote as a Director at any such meetings at which the Director appointing him is not present and at such meetings to exercise all powers, duties and authorities of the Director appointing him. A director who is also an alternate Director shall be entitled in addition to his vote, to separate vote on behalf of the Director. If the Director who appointed him ceases for any reason to be a Director, he shall ipso facto cease to be an alternate Director.

### **Borrowing powers**

The Board of Directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as securities for any debt, liabilities or obligation of the company or of any third party.

### **The Seal**

The Directors shall provide a Common Seal for the purposes of the Company and shall provide for the safe custody of the Seal, which shall not be affixed to any instrument except by the authority of a resolution of the Directors and in the presence of at least one Director and the Secretary or such other person as the Board may appoint for the purpose; and the Director and Secretary or other person as aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

### **Official Seal for Use Abroad**

The Company may exercise all the powers given by Section 75 of the Decree subject to the Regulations of the Company for the time being.

### **Memorandum of Association**

The objects for which the Issuer is established are:

1. To raise and borrow money for Sundry Foods Limited and its subsidiaries through the issuance of bonds, debentures stock and other securities or perpetual annuities.
2. To engage in the provision of debt capital to Sundry Foods Limited and Its Subsidiaries.
3. To engage in business of investing in promissory notes, commercial papers and other securities.
4. To do all such other things as incidental or conducive to the attainment of the objectives and exercise of the power of the company

5. To do all or any of the above things in any part of the world, and either as principals, agents or otherwise, and either alone or in conjunction with other companies and by or through agents, subcontractors, trustees or otherwise.
6. And it is hereby declared that the businesses of the company as specified in each of the foregoing paragraphs of the clause (except only if and so far as otherwise expressly provided in any paragraph) shall be separate and distinct businesses of the company, and shall not be in any wise limited by reference to any other paragraph, or the order in which the same occur, or the name of the company.

#### **Article of Association**

##### **Borrowing powers**

The Board of Directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertakings, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as securities for any debt, liabilities or obligation of the company or of any third party.



[www.aluko-oyebode.com](http://www.aluko-oyebode.com)

12 May 2023

CardinalStone Partners Limited  
5 Okotie Eboh Street  
Ikoyi  
Lagos

FCMB Capital Markets Limited  
6<sup>th</sup> Floor, First City Plaza, Marina  
Lagos

Stanbic IBTC Capital Limited  
I.B.T.C. Place  
Walter Carrington Crescent,  
Victoria Island  
Lagos

Dear Sirs,

**RE: ISSUANCE OF UP TO ₦5,500,000,000.00 (FIVE BILLION, FIVE HUNDRED MILLION NAIRA) SERIES II BONDS UNDER THE ₦20,000,000,000.00 (TWENTY BILLION NAIRA) MULTI-INSTRUMENT DEBT ISSUANCE PROGRAMME BY SUNDRY FOODS FUNDING SPV PLC**

We act as Solicitors in connection with the proposed issuance of ₦5,500,000,000 (Five Billion, Five Hundred Million Naira) Series II Bonds, to be issued under the ₦20,000,000,000 (Twenty Billion Naira) Multi-Instrument Debt Issuance Programme, by Sundry Foods Funding SPV Plc (the "Issuer") (the "Transaction"). Our opinion on the claims and litigation of the Issuer is issued as at 12 May 2023.

The Issuer is not engaged (whether as defendant or otherwise) in any claims, legal actions, suits, arbitration, alternative dispute resolution proceedings or other proceedings (collectively, "Claims") neither is the Issuer aware that there are any such Claims being threatened or pending.

As a result of this and based on our review of the facts provided by the Issuer, we are of the opinion that there are no Claims in existence or threatened which would have a material effect on the financial position or operations of the Issuer.

Yours faithfully,  
ALUKO & OYEBODE

Ayodeji Oyetunde  
Partner

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26 May 2023

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FCMB Capital Markets Limited  
6<sup>th</sup> Floor, First City Plaza  
Marina, Lagos

Stanbic IBTC Capital Limited  
I.B.T.C. Place, Walter Carrington Crescent  
Victoria Island, Lagos

Dear Sirs,

**RE: ISSUANCE OF UP TO ₦5,500,000,000.00 (FIVE BILLION, FIVE HUNDRED MILLION NAIRA) SERIES II BONDS UNDER THE ₦20,000,000,000.00 (TWENTY BILLION NAIRA) MULTI-INSTRUMENT DEBT ISSUANCE PROGRAMME BY SUNDRY FOODS FUNDING SPV PLC**

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In order to provide this opinion, we have reviewed the cases in which Sundry Foods Limited (the "Sponsor") is a party, (whether as defendant or otherwise), and have provided herein our opinion on the status of pending litigation in which the Sponsor is involved:

The Sponsor in the ordinary course of business is presently involved in 6 (six) suits. Out of the 6 (six) suits that the Sponsor is involved, 2 (two) of the cases were instituted by the Sponsor, while 4 (four) of the cases were instituted against the Sponsor.

The total amount, including general damages, claimed by the Sponsor in the cases instituted by the Sponsor is ₦500,000,000.00 (Five Hundred Million Naira); while the total amount, including general damages, claimed against the Sponsor in the cases instituted against it is estimated at ₦6,000,000.00 (Six Million Naira).

Based on our review of the facts of the cases provided in the litigation schedule provided by the Sponsor, we are of the opinion that the aforementioned cases would not adversely affect the Transaction.

A schedule of claims and litigation in which the Sponsor is involved is available for inspection at the registered office of the Sponsor.

Yours faithfully,  
ALUKO & OYEBODE

**Ayodeji Oyetunde**  
Partner

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THE FEDERAL REPUBLIC OF NIGERIA  
THE COMPANIES AND ALLIED MATTERS ACT 2020  
PUBLIC COMPANY LIMITED BY SHARES  
RESOLUTION OF THE BOARD OF DIRECTORS  
OF  
SUNDRY FOODS FUNDING SPV PLC

---

At the meeting of the Board of Directors of Sundry Foods Funding SPV Plc (the “**Board**”) duly convened and held on 23 February 2023, at 23 Nzimiro Street Old GRA Portharcourt, the Board resolved and passed the following resolutions and agreed that the said resolutions shall be valid and effective.

**The Board has carefully considered the facts stated below, taking into account all relevant facts and circumstances to the effect that:**

Sundry Foods Funding SPV Plc (“**Issuer**”) pursuant to the resolution of the Board dated [23 February 2021<sup>1</sup>] was authorised to undertake a capital raise in the aggregate sum not exceeding ₦20,000,000,000 (Twenty Billion Naira) by the issuance of bonds through a multi-instrument debt issuance programme (“**Programme**”).

**IT WAS THEREFORE RESOLVED AND APPROVED AS FOLLOWS: -**

- i. That the Issuer be and is hereby authorised to issue fixed rate bonds up to the sum of ₦5,500,000, 000 (Five Billion and Five Hundred Million Naira) under the Programme by way of a book-building process or any other method at such dates or tranches, coupon or interest rates, within such maturity periods and upon such terms and conditions, within such maturity periods and upon such terms and conditions as may be determined by the directors of the Issuer, subject to obtaining all requisite approvals from applicable regulatory authorities (“**Series 2 Bonds Issue**”).

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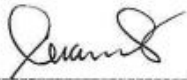
23Nzimiro Street, Old GRA  
Port Harcourt, Nigeria  
Tel: +234 557192 | 8156592811

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- ii. That subject to the approval of the regulatory authorities, the Issuer is hereby authorised to absorb excess monies arising from the Series 2 Bonds Issue capital raise exercise in the event of an over subscription up to the maximum limit prescribed under applicable regulations.
- iii. That the Issuer be and is hereby authorised to use the proceeds from the Series 2 Bonds Issue to purchase debt securities issued by the Issuer under the Programme on such terms and conditions as may be determined by the directors of the Issuer and which shall match the terms and conditions of the bonds to be issued by the Issuer under the Programme; subject to obtaining all requisite approvals from applicable regulatory authorities.
- iv. That any 2 (Two) directors, or a director and the company secretary of the Issuer (each an **"Authorised Person"**, and collectively, the **"Authorised Persons"**) are hereby authorized to enter into any agreements and or execute any other documents necessary for and or incidental to the issuance of the Series 2 Bonds Issue.
- v. That the Management of the Company be and is hereby authorized to take such further action and do such further things as may be required to give effect to the above resolutions.

Dated this 18<sup>TH</sup> day of April 2023

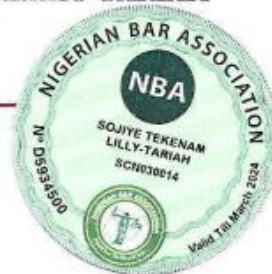


**NNAMDI OPARA**  
Director



**SOJIYE LILLY-TARIAH**  
Secretary

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**THE FEDERAL REPUBLIC OF NIGERIA**  
**THE COMPANIES AND ALLIED MATTERS ACT, 2020**  
**PRIVATE COMPANY LIMITED BY SHARES**  
**RESOLUTION OF THE BOARD OF DIRECTORS**  
**OF**  
**SUNDRY FOODS LIMITED**

---

At the meeting of the Board of Directors of Sundry Foods Limited (the "**Board**") duly convened and held on 23 February 2023, at 23 Nzimiro Street Old GRA Portharcourt, the Board resolved and passed the following resolutions and agreed that the said resolutions shall be valid and effective.

**The Board has carefully considered the facts stated below, taking into account all relevant facts and circumstances to the effect that:**

Sundry Foods Limited ("**Company**") pursuant to the resolution of the Board dated [23 February 2021<sup>1</sup>] was authorised to sponsor and support the issue and offer of the aggregate sum not exceeding ₦20,000,000,000 (Twenty Billion Naira) by the issuance of bonds through a multi-instrument debt issuance programme ("**Programme**") by Sundry Foods Funding SPV Plc ("**Issuer**").

The Issuer has authorised the issuance of fixed rate bonds up to the sum of ₦5,500,000,000 (Five Billion and Five Hundred Million Naira) under the Programme (the "**Series 2 Bonds Issue**") pursuant to a resolution dated 23 February 2023.

**IT WAS THEREFORE RESOLVED AND APPROVED AS FOLLOWS: -**

- i. That the Company be and is hereby authorised to receive monies from proceeds under the Series 2 Bonds Issue, issued in one or more tranches as may be determined by the

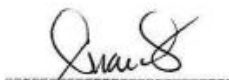
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directors of the Company, subject to obtaining all requisite approvals from applicable regulatory authorities.

- ii. That the Company be and is hereby authorised to issue debt securities to the Issuer following the issuance of the Series 2 Bonds Issue; at such dates, tranches, coupon or interest rates, within such maturity periods and on such terms and conditions which the directors of the Company may deem fit which shall match the terms and conditions of the bonds to be issued by the Issuer under the Series 2 Bonds Issue, subject to obtaining all requisite approvals from applicable regulatory authorities.
- iii. That any 2 (Two) directors, or a director and the company secretary of the Issuer (each an “**Authorised Person**”, and collectively, the “**Authorised Persons**”) are hereby authorized to enter into any agreements and or execute any other documents necessary for and or incidental to the issuance of the Series 2 Bonds Issue.
- iv. That the Management of the Company be and is hereby authorized to take such further action and do such further things as may be required to give effect to the above resolutions.

Dated this 18<sup>th</sup> day of April 2023

  
NNAMDI OPARA  
Director

  
SOJIYE LILLY- TARIAH  
Secretary



---

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## CREDIT RATING ANNOUNCEMENT

GCR accords an Indicative Rating to Sundry Foods Funding SPV Plc's NGN5.5Bn Series II Bonds

### Rating action

Lagos, 26 May 2023 – GCR Ratings (GCR) has accorded an indicative long term Issue rating of A-<sub>(NGJ)(R)</sub> to Sundry Foods Funding SPV Plc's proposed NGN5.5Bn Series II Bonds, with Outlook accorded as Positive.

Rated Issue	Rating class	Rating scale	Rating	Outlook
NGN5.5Bn Series II Bonds	Long Term Issue	National	A- <sub>(NGJ)(R)</sub> *	Positive

\*IR: An Indicative Rating is denoted by an 'IR' suffix to indicate that a credit rating has been accorded based on review of final draft documentation and expectations regarding final documentation. The Indicative Rating is expected to convert to a final credit rating subject to the receipt of final documentation in line with GCR's expectations. Typically, this suffix will be used when awaiting the finalisation of notes for a debt or program issuance. In this case, once the final documents are available the IR suffix may be removed. We expect the rating to convert upon regulatory approval, within the next 180 days.

### Rating rationale

Sundry Foods Funding SPV Plc, the Issuer, is a special purpose vehicle owned and sponsored by Sundry Foods Limited (Sundry Foods or the Sponsor) as a funding entity, solely for the purpose of raising finance for its Sponsor. In May 2023, we affirmed Sundry Foods' national scale long term Issuer rating of A-<sub>(NGJ)</sub>, underpinned by its competitive strengths, good earnings and sound gearing metrics.

In 2021, the Sponsor registered a NGN20Bn Bond Issuance Programme (the Programme) with the Securities and Exchange Commission, under which NGN2.5Bn in Series I Bonds was successfully issued. The Issuer is in the process of raising additional NGN5.5Bn in Series II Bonds (the Bonds) under the Programme. The net proceeds from the Bonds will be utilised to refinance existing short term debt and for capital projects. The Series II Bonds shall constitute direct, unconditional, senior, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and all other senior unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

Sundry Foods, the Issuer and the Bond Trustees have an existing covenant, where Sundry Foods acts in the capacity of the guarantor, absolutely, irrevocably and unconditionally guarantees the timely and full repayment of all debt and obligations owed by the Issuer under the Programme. According to the Deed of Undertaking, Sundry Foods undertakes to immediately perform the payment obligations of the Issuer as it were the primary obligor if the Issuer does not pay any of the obligations.

Given that Sundry Foods offers timely and full coverage of all payments due to the bondholders, under Series II Bonds through the Deed of Undertaking, the Bonds bear the same default risk as its Sponsor and would reflect similar recovery prospects to senior unsecured creditors in the event of default. As such, the long term rating for the Series II Bonds is equivalent to the Sponsor's long term rating. Thus, any change in the rating of the Sponsor will directly impact the rating of the Series II Bonds.

### Outlook statement

The Positive Outlook on the Bonds reflects that of Sponsor and is based on our expectation that the Sponsor will sustain the strong growth in earnings and maintain robust cash flows, which should keep leverage metrics at a moderate level over the next 12-18 months, despite the planned increase in debt.

Nigeria | Corporate | Public Credit Rating

# Sundry Foods Funding SPV PLC

**Up to ₦5.5 Billion Five-Year Fixed Rate Senior Unsecured (Series 2) Bond Due 2028  
Under the ₦20 Billion Bond Issuance Programme**

**Issue Rating:**

**A-\***

*Good quality debt issue with low to moderate credit risk; strong capacity to pay returns and principal in a timely manner.*

**Outlook:** Stable

**Issue Date:** 6 July 2023

**Expiry Date:** 30 June 2024

*\*The rating is indicative and a final rating will be based on receipt of all duly executed contractual agreements. The final rating will be subject to annual monitoring and review.*

**Sponsor's Rating:** A-

**Expiry Date:** 30 June 2024

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Rating Definition	15

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## RATING RATIONALE

- Agusto & Co. hereby assigns an indicative "A-" rating to Sundry Foods Funding SPV PLC's ("Sundry Foods SPV", "the SPV", or "the Issuer") up to ₦5.5 Billion Five-Year Fixed Rate Senior Unsecured Bond Due 2028 ("Series 2", "the Bond" or "the Issue") under the ₦20 Billion Bond Issuance Programme. The assigned rating mirrors the standalone "A-" rating of Sundry Foods Limited ("Sundry Foods", "SFL", "the Company", or "the Sponsor") assigned by Agusto & Co<sup>1</sup>, as the Sponsor irrevocably and unconditionally pledges its operating cash flow as the primary source of repaying the Series 2 Bond obligations. The rating is supported by SFL's good profitability upheld by its diverse meal offering and its wide geographical spread with footprints in 16 states in Nigeria. The rating also factors in the Sponsor's good cashflow position based on its cash sales model of operation and its acceptable working capital.
- Sundry Foods Limited is a major player in the Food Service Industry in Nigeria, operating under the brand names – Kilimanjaro, Pizza Jungle, Kiligrill and Nibbles Creamery. The Company was incorporated in 2003 and owns a total of 162 outlets (as at 31 March 2023) consisting of restaurants and bakeries and operates 16 canteens on behalf of its corporate clients.
- The Issuer is a special purpose vehicle incorporated by Sundry Foods Limited on 23 April 2021, with the sole aim of raising debt securities from the Nigerian capital market to support its funding needs.
- In December 2021, Sundry Foods Funding SPV PLC issued a ₦2.5 billion Five-Year 13.5% Fixed Rate Series 1 Bond under its ₦20 Billion Bond Programme. The proceeds from the Series 1 Bond was used by the Issuer to purchase Intercompany Notes from the Sponsor, who in turn utilized the fund to finance the establishment of new restaurants and the repayment of some existing expensive debt. In addition to this, the SPV intends to issue up to ₦5.5 billion Series 2 Bond in 2023, under the existing Bond Programme and for the same purpose.

<sup>1</sup> Agusto & Co affirmed the "A-" rating assigned to Sundry Foods Limited in June 2023 and attached a stable outlook to the Sponsor.

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## Sundry Foods Limited

Rating Assigned:

**A-**

*This refers to a company with good financial condition and strong capacity to repay obligations on a timely basis.*

**Outlook:** Stable

**Issue Date:** 27 June 2023

**Expiry Date:** 30 June 2024

**Previous Rating:** A-

**Industry:** Food Services  
Industry

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Financial Summary	13
Rating Definition	15

**Analysts:**

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## RATING RATIONALE

- Agusto & Co. hereby affirms the **A-** rating assigned to Sundry Foods Limited ("Sundry Foods", "SFL" or "the Company"). The rating reflects the Company's good profitability and cash flow, upheld by its continued business expansion and favourable terms with customers and suppliers, as well as its moderate leverage and satisfactory working capital position. The rating further considers SFL's sturdy position in the Nigerian Food Services Industry ("the Industry") and its stable and experienced management team. However, the rating is constrained by the heightened inflationary environment, particularly the persistent food price hikes (with Nigeria's food inflation rate rising to 24.61% in April 2023<sup>1</sup> from 18.37% in April 2022). Also, the weakening consumer wallets and the stiff competition in the Industry moderate operators' ability to adequately push cost increases to customers.

Sundry Foods Limited is one of the leading players in the Food Services Industry in Nigeria. The Company started as a maker of bakery products in 2004 and currently owns four food brands – Kilimanjaro restaurants, Pizza Jungle, Kiligrill and Nibbles Creamery in addition to its bakery brand – Nibble Bakery. SFL also provides canteen and catering services to corporate and private entities. The Company had 162 outlets (as at 31 March 2023), consisting of restaurants and bakeries and 16 staff canteens.

- In the financial year ended 31 December 2022 (FYE 2022), Sundry Foods generated revenue of ₦32.9 billion, a 56% growth from the prior year, driven by increased sales volume and upward price reviews implemented by the Company during the year. SFL's gross profit margin moderated to 39% in 2022 (2021: 43.6%) to reflect higher food costs. The Company's operating profit margin (OPM) also declined to 11.6% (2021: 13.5%) but remained above our expectation for similar companies. Overall, Sundry Foods posted a return on assets (ROA) of 22.8% in FYE 2022, which was better than our benchmark. In the same vein, the Company's return on equity (ROE) of 52.6% was significantly above the

<sup>1</sup> Data from National Bureau of Statistics

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## CREDIT RATING ANNOUNCEMENT

GCR affirms Sundry Foods Limited's Issuer ratings of A<sub>(NG)</sub>/A2<sub>(NG)</sub>, underpinned by the growing business operations which has supported a strong financial profile; Positive Outlook.

### Rating Action

Lagos, 2 May 2023 – GCR Ratings (GCR) has affirmed the national scale long-term and short-term Issuer ratings of A<sub>(NG)</sub> and A2<sub>(NG)</sub>, respectively assigned to Sundry Foods Limited, with the Outlook accorded as Positive. Concurrently, we have affirmed the national scale Issue rating of A<sub>(NG)</sub> accorded to Sundry Foods Funding SPV Plc's NGN2.58n Series I Bonds.

Rated Entity / Issue	Rating class	Rating scale	Rating	Outlook / Watch
Sundry Foods Limited	Long Term Issuer	National	A <sub>(NG)</sub>	Positive Outlook
	Short Term Issuer	National	A2 <sub>(NG)</sub>	
NGN2.58n Series I Bonds	Long Term Issue	National	A <sub>(NG)</sub>	Positive Outlook

### Rating Rationale

The ratings affirmation of Nigeria-based Sundry Foods Limited (Sundry Foods or the company) is underpinned by its competitive strengths, good earnings and sound gearing metrics. The positive outlook reflects our opinion that Sundry Foods will sustain the strong earnings growth trajectory and maintain moderate gearing metrics amid its business expansion activities.

The competitive position of Sundry Foods is anchored on its growing business and increasing market penetration. The company has developed a good brand presence in the market, with six brands entrenched in the quick service restaurant, bakery, and catering services segments. Sundry Foods increased its retail outlet count to 149 stores as of December 2022, from 145 stores in June 2022. Although the stores are concentrated within the South-South region, we note the company's ongoing diversification into the Northern and Western regions of Nigeria. Sundry Foods' competitiveness is also bolstered by its relatively stronger profitability compared with industry peers.

The earnings performance is a positive rating factor, supported by the sustained upward revenue progression and sound earnings margins. Revenue for financial year 2022, which ended 31 December 2022, grew by 56.6% to NGN32.88n (USD77.5M) [Central Bank of Nigeria | Exchange Rate \(cbn.gov.ng\)](#). The strong top line growth was largely supported by additional revenue from the 17 new outlets that were rolled out during financial 2022 coupled with upward price review across all stores. As the company sustains its expansion drive, we anticipate revenue growth of 32% in 2023 and 35% in 2024. Conversely, the EBITDA margin declined to 17.9% in 2022 from 18.6% in 2021, due to sustained inflationary pressures and high energy costs, but it remains sound and above the peer average. We expect the EBITDA margin to be sustained within the range of 18%-19% in 2023 and 2024 on the back of sustained economies of scale and effective cost management measures.

Leverage and capital structure is a rating strength, underpinned by the sound gearing metrics. Despite the rise in gross debt to NGN7.18n in 2022 (2021: NGN5.28n) following the addition of NGN3.18n through commercial papers, net debt to EBITDA was maintained below 1x and interest coverage remained moderate at 5.8x. The proceeds of the additional debt were used to bridge the shortfall in capital spending requirements from the undersubscribed Series I bonds. On the other hand, operating cash flow (OCF) coverage of debt declined to 50.4% in 2022 (2021: 70.4%) as a result of increased working

Nigeria | Corporates | Public Credit Rating

### **THE BONDS**

- The Issuer shall issue and offer the Series II Bonds in an aggregate nominal amount of ₦5,500,000,000 (Five Billion, Five Hundred Million Naira) and the Bonds issued hereunder shall be constituted by this Deed without further formality.
- The Bonds are backed by an unconditional and irrevocable guarantee issued by the Guarantor in favour of the Trustees on behalf of the Bondholders in support of all the obligations of the Issuer under the Programme.
- The Bonds are guaranteed and are senior unsecured instruments and shall constitute direct, unconditional, and unsubordinated, obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer in respect of principal and any interest thereon shall at all times rank at least equally with all other senior unsecured, unconditional and unsubordinated indebtedness and monetary obligations of the Issuer, present and future; but in the event of insolvency, only to the extent permitted by Applicable Laws relating to creditors' rights.
- The Bonds constitute an irrevocable obligation of the Issuer and the aggregate nominal amount of the Bonds to be issued hereunder is limited to ₦5,500,000,000 (Five Billion, Five Hundred Million Naira) ("**Principal Amount**").
- The Bonds shall be issued by way of an offer for subscription through a book building process to Qualified Institutional Investors and High Net Worth Investors.
- Subject to the approval of the Exchange, the Bonds shall be listed on the FMDQ Securities Exchange Limited, and the Issuer undertakes to ensure that the Bonds are listed on the Exchange.
- The Bonds will be issued in denominations of ₦1,000 (One Thousand Naira) each with a minimum subscription of ₦10,000,000.00 (Ten Million Naira) ("**Minimum Acceptable Subscription**") and multiples of ₦1,000,000 (One Million Naira) thereafter. Bids below the Minimum Acceptable Subscription will be disregarded unless they form part of a cumulative bid from the same investor group that is greater than the Minimum Acceptable Subscription. Final allotment to respective bidders may be less than the Minimum Acceptable Subscription if bids have to be pro-rated for any reason.
- The tenor of the Bonds shall be for a period of Five (5) years ("**Tenor**").
- In the event of an oversubscription, the Issuer reserves the right to issue up to an additional 15% of the qualifying book value of the additional amount raised.

### **PURPOSE**

The net proceeds of the Bonds will be utilised for the purchase of the Notes issued by the Sponsor pursuant to the Master Notes Issuance Agreement.

### **RATE OF COUPON**

Coupon shall be payable on the Bonds at a fixed rate of 16.00% per annum.

### **COVENANTS, REPRESENTATIONS AND WARRANTIES**

#### **4.1. Covenants**

- 4.1.1. The covenants of the Issuer in Clause 11 (*Covenants of the Issuer*) and the covenants of the Sponsor in Clause 13 (*Covenants of the Sponsor*) of the Programme Trust Deed shall be read as part of this Trust Deed and, unless the context otherwise requires, the Programme Trust Deed and the terms and conditions specified therein shall, except to the extent revised by the terms hereof, remain in force and shall be binding on the Parties.

- 4.1.2. The Issuer shall establish a Debt Service Payment Account which shall be operated in the manner set out in the Programme Trust Deed
- 4.1.3. The Sponsor shall establish a Debt Service Reserve Account which shall be operated in the manner set out in Programme Trust Deed.
- 4.1.4. The Trustees hereby acknowledge and covenant that the assets attributable to the Bonds constituted under this Trust Deed shall be clearly identified, effectively segregated and ring-fenced from the assets of the Trustees or any other trust that is being administered by the Trustees. The Trustees further covenant that they shall deal with the trust assets only in accordance with the provisions of this Series II Trust Deed, the ISA and the SEC Rules.
- 4.1.5. The Trustees shall in the performance of their duties under this Trust Deed:
  - a facilitate prompt payment of the Principal Amount and Coupon;
  - b protect/act in the best interest of the Bondholders;
  - c act honestly, prudently, in good faith and exercise due care, skill diligence and vigilance in carrying out its functions and in safeguarding the rights and interest of the Bondholders; and
  - d observe their fiduciary roles and obligations to the Bondholders as the beneficiaries of the trust and its discretions.

#### 4.2. **Representation and Warranties**

- 4.2.1. The representations and warranties of the Issuer, the Sponsor and the Trustees in Clause 15 (*Representations and Warranties of the Parties*) of the Programme Trust Deed shall be read as part of this Trust Deed unless the context otherwise requires.
- 4.2.2. In addition to Clause 4.2.1 above, each of the Issuer and the Sponsor represent and warrant to the Trustees that as at the Issue Date:
  - a it has due power and authority to own its assets and to carry on its business as it is being conducted;
  - b the execution and delivery of the Transaction Documents, performance of all of its obligations thereunder and issuance of the Bonds have been duly authorised by all necessary corporate resolutions; and
  - c none of the Events of Default contained in Clause Chapter 751624512581 (*Events of Default*) of this Trust Deed has occurred and is continuing

#### **EVENTS OF DEFAULT**

If any of the following events stated in this Clause (“**Events of Default**”) occur and are continuing in accordance with the time frame set out below, the Trustees may at their absolute discretion give written notice to the Issuer at its specified office that the Bonds are immediately repayable whereupon the Principal Amount outstanding on the Bonds together with accrued Coupon shall become immediately due and payable:

##### 5.1. **Non-Payment**

If the Issuer fails to pay any sums representing principal and coupon on the Bond or any fees or other sums as they fall due in accordance with this Series II Deed unless its failure to pay is caused by an administrative or technical error, and payment is made within 10 (ten) Business Days of the due date of such sums. Provided however that where such non-payment is due to a Force Majeure event the Trustees may in their discretion (after consultation with the Issuer) determine that such Force Majeure

event can be remedied within a reasonable period after the grace period referred to above in this Clause and extend the grace period.

In any case where payment is not made to the Trustee on or before the due date or improperly withheld or refused by the Issuer, the Coupon shall continue to accrue on the Principal Amount Outstanding of the Bonds so withheld or refused (both before and after any judgment or order of a court of competent jurisdiction) at the Coupon Rate up to and including the date on which the Trustee determine to be the date on which payment is made to the Bondholders.

## 5.2. **Cross Default**

If any Financial Indebtedness of the Issuer of a value exceeding ₦4,000,000,000.00 (Four Billion Naira) (or its equivalent in any other currency) in aggregate (for the avoidance of doubt, any amounts being contested in good faith shall not be counted towards such value) is not paid when due or within any applicable grace period, or the Financial Indebtedness of the Issuer of a value exceeding ₦4,000,000,000.00 (Four Billion Naira) (or its equivalent in any other currency) in aggregate is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an Event of Default (however described) and such event shall be certified in writing by the Trustees to be in their opinion materially prejudicial to the interest of the Bondholders;

## 5.3. **Insolvency**

- 5.3.1. if the Issuer or the Sponsor is unable, for the purposes of the CAMA, to pay its debts, or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness;
- 5.3.2. if a Moratorium is declared in respect of any Financial Indebtedness of the Issuer, and such Moratorium is not discharged within 45 (forty-five) Business Days after it was declared. Provided that the Issuer is able to show to the satisfaction of the Trustees within 10 (ten) Business days after such Moratorium is declared that it is in good faith negotiating for the lifting of the Moratorium;
- 5.3.3. if any corporate action or legal proceedings is concluded, and judgment given against the Issuer or the Sponsor (as applicable) in relation to:
  - a a Moratorium of any Financial Indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer other than a solvent liquidation or any reorganisation of the Issuer;
  - b the appointment of a liquidator (other than in respect of a solvent liquidation of the Issuer) receiver, administrator, administrative receiver or other similar officer in respect of the Sponsor or the Issuer or any of their assets; and
  - c any analogous procedure or step is taken in any jurisdiction, and such proceeding is not dismissed or terminated on or before the 30<sup>th</sup> (thirtieth) Business Day (which would exclude days on which Nigerian courts are on vacation or strike) after the order is made or if any such dismissal or stay ceases to be in effect (or such longer period as the Trustees may permit) **PROVIDED THAT** the Issuer or the Sponsor has within 10 (ten) Business Days (which would exclude days on which Nigerian courts are on vacation or strike) filed good faith legal proceedings in the relevant court for the order to be set aside, dismissed or stayed.

## 5.4. **Cessation of Business**

If either the Sponsor or the Issuer ceases to conduct all or substantially all of its business as is now conducted or changes all or substantially all of the nature of such business or merges or consolidates

with any other entity without the prior written consent of the Trustees pursuant to Clause 14.5 of the Programme Trust Deed;

5.5. **Material Adverse Effect**

If a Material Adverse Effect has occurred;

5.6. **Enforcement Proceedings**

If any distress, execution or other process shall be levied or enforced or sued upon or against any asset(s) of the Issuer or the Sponsor having an aggregate value of ₦4,000,000,000 (Four Billion Naira) ("Assets") and such action or process is not discharged, or stayed within 90 (ninety) days of service by the relevant officer of the court of such attachment, execution or other legal process or if an encumbrancer shall take possession or a Receiver shall be appointed over the Assets of the Issuer and such event shall be certified in writing by the Trustees to be in its opinion materially prejudicial to the interests of the Bondholders **PROVIDED THAT** if the Issuer/Sponsor has filed good faith legal proceedings in the relevant court for application for dismissal or stay within 10 (ten) Business Days (which would exclude days on which Nigerian courts are on vacation or strike) of becoming aware of the order or action, then such shall not be regarded as an Event of Default;

5.7. **Breach of Other Obligations**

Other than Non-Payment as in Clause 5.1 (*Non-Payment*), if default shall be made by the Issuer or Sponsor in the performance or observance of any covenant, condition, provision or agreement including the representations and warranties which default will affect the capacity of the Issuer to perform its payment obligations under this Deed or the Programme Trust Deed, and the Issuer or Sponsor fails to perform fully or make good the breach of such covenant, condition, provision or agreement within 30 (thirty) days from receipt of notice in writing by the Trustees (or in its opinion such longer period as the Trustees may reasonably determine is not materially prejudicial to the interests of the Bondholders); or

5.8. **Release of Issuer or Sponsor**

There shall be no release of the Issuer or the Sponsor from the obligations under the undertaking provided in this Deed or the Programme Trust Deed, other than with the approval of the Trustees, including any release by operation of law, or any failure by the Issuer to make payment when demanded by the Trustees in accordance with the undertaking aforesaid.

**LIABILITY OF THE GUARANTOR**

- 6.1. The Guarantor irrevocably and unconditionally accepts as primary obligor and co-debtor, joint and several liability with the Issuer to the Trustees, in respect of:
- 6.1.1. the due and punctual payment of the principal and coupon on the Series II Bonds and of any other amount payable by the Issuer under this Deed (in immediately available and freely transferable funds, without any deduction, set-off, counterclaim or withholding of any kind (including without limitation, on account of taxes)); and
  - 6.1.2. the due and punctual performance and observance by the Issuer of its obligations which it may from time to time be obliged to perform under or pursuant to this Deed.
- 6.2. The obligations of the Guarantor shall include monetary damages arising out of any failure by the Issuer to perform its obligations under this Deed or any other Transaction Document, to the extent that any failure to perform such obligations gives rise to monetary damages.
- 6.3. The payment obligations of the Guarantor under the provisions of this Clause constitute the full obligations of the Guarantor and are enforceable against the Guarantor to the full extent of its properties and assets, irrespective of the reliability or enforceability of this Deed or any other Transaction Document, or any other circumstance whatsoever.



6.4. The obligations of the Guarantor under this Deed are continuing obligations and shall extend to the balance of all sums payable by the Issuer under this Deed and the Series II Bonds, regardless of any intermediate payment or discharge in whole or in part.

6.5. **Payments**

6.5.1. Any payment made by the Guarantor pursuant to this Deed shall be in satisfaction of the relevant payment obligation of the Issuer under this Deed and the Programme Trust Deed. Coupon shall accrue on any payment made after the due date, up to and including the date payment is made. All payments made by Guarantor under this Deed shall be subject to Condition delineated in the series Trust deed

6.5.2. The Guarantor agrees that the payment of any amounts due with respect to any indebtedness owed by the Issuer or Guarantor is hereby subordinated to the prior payment of the obligations herein in full.

6.5.3. The Guarantor agrees that after an Event of Default has occurred and during its continuance, it will not demand, sue for or otherwise attempt to collect any indebtedness of the Issuer, owed to it until its payment obligations herein shall have been paid in full in cash. Where, notwithstanding the above, the Guarantor collects, enforces or receives any amounts in respect of such indebtedness, such amounts collected, enforced and or received by the Guarantor would have been collected, enforced or received as a trustee for the Trustees and be paid over to the Trustees to be applied to repay its obligations under this Deed.

6.6. **Indemnity**

As an independent and primary obligation, the Guarantor shall be subject to the indemnity obligation in Clause 25 of the Programme Trust Deed.

6.7. **Waiver of Defences**

In addition to the provisions of Clause 34 (Waiver of Defences) of the Programme Trust Deed:

6.7.1. The Guarantor waives all defences that may be available to it by virtue of any valuation, stay, moratorium law or other similar law now or effective in the future, any right to require the ranking of assets of the Guarantors and any other entity or person primarily or secondarily liable with respect to any of its obligations herein, and all suretyship defences generally.

6.7.2. The Guarantor agrees that its obligations under this Deed shall not be released or discharged, in whole or in part, or otherwise affected by, the adequacy of any rights which the Trustees may have against any security or other means of obtaining repayment of any of such obligations.

6.7.3. The obligations of the Guarantor under this Clause shall not be diminished or rendered unenforceable by any winding up, reorganization, arrangement, liquidation, reconstruction or similar proceeding regarding any reconstruction or similar proceeding with respect to the Guarantor or the Issuer.

6.7.4. The provisions of this Clause are made for the benefit of the Trustees and their respective permitted successors and assigns, and may be enforced by either or both of them from time to time against the Guarantor and without requirement on the part of the Trustees or any of their agents first to exercise any of their rights against the Issuer or to exhaust any remedies available to them against the Issuer or to resort to any other source or means of obtaining payment of any of the obligations herein or to elect any other remedy.

6.7.5. The provisions of this Clause shall remain in effect until all of the payment obligations under this Deed shall have been paid in full or otherwise fully satisfied.

## **COMPLIANCE WITH THE ISA**

- 7.1. The Trustees in exercise of the powers and discretions vested in them pursuant to these presents shall comply with the provisions of the ISA and SEC Rules.
- 7.2. The provisions of this Trust Deed shall be subject to the relevant provisions of the ISA, SEC Rules, Trustees Investments Act and other Applicable Laws.

## **TAXATION**

All payments made by or on behalf of the Issuer or Guarantor under or with respect to the Bonds shall be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes unless the withholding or deduction for, or on account of, such taxes is then required by law.

## **GOVERNING LAW AND JURISDICTION**

This Trust Deed shall be governed by and construed in accordance with Nigerian law and the Courts of the Federal Republic of Nigeria shall have jurisdiction to adjudicate on any matter out of or in connection with this Trust Deed for the purpose of granting any interim relief or order that may be required pending the determination of any dispute referred to Arbitration in accordance with the Arbitration and Conciliation Act (Chapter A18) Laws of the Federation of Nigeria 2004 pursuant to Clause 40 of the Programme Trust Deed. The provisions of Clause 41 (Dispute Resolution) of the Programme Trust Deed will apply to any dispute that may arise in connection with the Bonds.

## **COUNTERPARTS**

This Trust Deed may be executed simultaneously in any number of counterparts, each of which shall be deemed to be an original, but all of which taken together, shall constitute one and the same instrument.

## **PAYMENT CURRENCY**

The currency for repayment of the Bonds shall be the Nigerian Naira, and this clause shall not be amended without the prior written agreement of the Parties.

## **OTHER MATTERS**

- 12.1. The Issuer shall establish the Debt Service Payment Account in accordance with the Programme Trust Deed no later than 5 (five) Business Days after the Issue Date which shall be in the name and under the custody and administration of the Trustees for the purpose of the Series II Bonds.
- 12.2. The Trustees shall have the right to enforce any provision of the Trust Deed.
- 12.3. Without prejudice to the right of indemnity by law given to the Trustees and every attorney, manager, agent or other person appointed by it hereunder, the Trustees shall be entitled to be indemnified by the Issuer and the Sponsor in respect of all liabilities and expenses incurred by each of the Trustees in the execution or purported execution of the powers and trusts hereof or of any powers, authorities or discretions vested in it or them pursuant to this Deed; provided that the Trustees, the attorney, agent or manager or other person appointed by the Trustees has not acted negligently or in default of their powers, duty and obligations, and the Trustees may retain and pay out of any monies in their hands upon the trusts of these, the amount of any such liabilities and expenses and also the remuneration of the Trustees as hereinbefore provided.
- 12.4. All monies received by the Trustees under this Deed shall be held by the Trustees (subject to the payment of any money having priority to the Bond) upon trust to apply such money for the following purposes and in the following order of priority:

12.4.1. all costs, charges, expenses and liabilities incurred, and payments made in or about the execution of the trusts of this Deed including all remuneration payable to the Trustees with interest on such sums as provided in the proviso below;

12.4.2. coupons and/or any sum due or owing upon the Bonds (other than the principal sum) *pari passu* and without preference or priority; and

12.4.3. the principal sum owing upon the Bonds *pari passu* and without preference or priority

The surplus (if any) shall be paid to the Issuer or to the person or persons entitled to such surplus, as may be determined by the agreement of all parties.

Provided that Fees, cost, charges, expenses and interest (in respect of late payment) if any, that is charged by any, attorney, agent or other person appointed by the Trustees pursuant to this Deed shall be for the account of the Issuer.

12.5. The provisions of Clause 21 (*Trustees to Enforce*) of the Programme Trust Deed are hereby incorporated into this Trust Deed. Provided that it is hereby agreed that any Bondholder who feels dissatisfied shall be entitled personally to initiate legal action to enforce his rights under the Trust Deed.

12.6. The terms and conditions of this Series II Trust Deed shall be subject to the provisions of the Applicable Laws.



SPV/FF/02/0623

13 June 2023

The Managing Director  
**CARDINAL STONE PARTNERS**  
5 Okotie Eboh Street  
Off Awolowo Road  
Ikoyi  
Lagos State  
Nigeria

The Managing Director  
**FCMB CAPITAL MARKETS LIMITED**  
First City Plaza  
Marina Road  
Lagos State  
Nigeria

The Managing Director  
**STANBIC IBTC CAPITAL LIMITED**  
I.B.T.C Place  
Walter Carrington Crescent  
Victoria Island  
Lagos State  
Nigeria

Dear Sirs

**CONFIRMATION OF GOING CONCERN STATUS OF SUNDRY FOODS  
FUNDING SPV PLC**

Sundry Foods Funding SPV Plc ("Sundry Foods" or the "Company") is in the process of registering a Series II bond issuance of up to ₦5,500,000,000 (Five Billion and Five Million Naira) with the Securities and Exchange Commission ("SEC" or the "Commission") under its ₦20,000,000,000 (Twenty Billion Naira) Bond Issuance Programme.


Based on our review of the financial statements of the Company for the year ended 31 December 2022, we have reasonable expectations that the Company has adequate resources to continue as a going concern in the foreseeable future.

This letter has been prepared only for the purposes of compliance with the rules and regulations of SEC.

23 Nizimbo Street, Old GRA  
Port Harcourt, Nigeria  
Tel: +234 8871921 | 8156592811  
Email: info@sundryfoods.com  
Website: www.sundryfoods.com



Yours faithfully  
For and on behalf of Sundry Foods Funding SPV Plc

  
\_\_\_\_\_  
Ebele Enunwa  
Chief Executive Officer

  
\_\_\_\_\_  
Adewale Osobukola  
Chief Financial Officer



SFL/FF/01/0623

7 June 2023

The Managing Director  
**CARDINAL STONE PARTNERS**  
5 Okotie Eboh Street  
Off Awolowo Road  
Ikoyi  
Lagos State

The Managing Director  
**FCMB CAPITAL MARKETS LIMITED**  
First City Plaza  
Marina Road  
Lagos State  
Nigeria

The Managing Director  
**STANBIC IBTC CAPITAL LIMITED**  
I.B.T.C Place  
Walter Carrington Crescent  
Victoria Island  
Lagos State  
Nigeria

Dear Sirs

**CONFIRMATION OF GOING CONCERN STATUS OF SUNDRY FOODS LIMITED**

Sundry Foods Fund Limited ("**Sponsor**") is in the process of seeking registration of its proposed Series II bond issuance of up to ₦5,500,000,000 (Five Billion and Five Million Naira) from the Securities and Exchange Commission ("**SEC**") under the ₦20,000,000,000 (Twenty Billion Naira) Bond Issuance Programme.

Based on our review of the financial statements of the Sponsor for the year ended 31 December 2022, we have a reasonable expectation that the Sponsor has adequate resources to continue as a going concern in the foreseeable future.

23, Nzimiro Street, Old GRA  
Port Harcourt, Nigeria  
Tel: +234 557192 | 8156592811  
Email: [info@sundryfood.com](mailto:info@sundryfood.com)  
Website: [www.sundryfood.com](http://www.sundryfood.com)



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This letter has been prepared only for the purposes of compliance with the rules and regulations of the SEC.

Yours faithfully

**For and on behalf of Sundry Foods Limited**

A handwritten signature in black ink, consisting of a stylized 'E' followed by a series of loops and a final flourish.

---

**Ebele Enunwa**  
**Chief Executive Officer**

A handwritten signature in black ink, featuring a long horizontal stroke followed by a series of loops and a final flourish.

---

**Sojiye Lilly-Tariah**  
**Company Secretary**



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3 July 2023

The Directors  
**Sundry Foods Limited**  
44, Nzimiro street  
Old GRA, Port Harcourt  
Rivers State

and

The Directors  
**CardinalStone Partners Limited**  
5, Okotie Eboh Street  
Ikoyi  
Lagos

Dear Sirs,

**CONFIRMATION OF GOING CONCERN STATUS OF SUNDRY FOODS LIMITED ( the "Sponsor")**

Sundry Foods Funding SPV PLC (the "Issuer") is in the process of seeking approval from the Securities and Exchange Commission ("SEC") for the issuance of its Series 2 Bond Issue under the ₦20 billion Multi-Instrument Debt Issuance Programme.

We have audited the financial statements of Sundry Foods Limited (the "Sponsor") for the year ended 31 December 2021 and 2022 which were prepared in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Based on our audit of the financial statements of the Sponsor for the years ended 31 December 2021 and 2022 on which we issued unmodified opinion on each of the financial statements for the two years and the representation received from the Directors of the Sponsor, nothing has come to our notice that makes us believe that the Sponsor will not continue in operation as a going concern for at least 12 months from 31 December 2022.

This letter is prepared solely for the purpose of compliance with the rules and regulations of the SEC.

Yours faithfully,

**Abraham Udenani**  
Partner



**MAKING AN  
IMPACT THAT  
MATTERS**  
*since 1845*

The list of Partners and Partner equivalents is available in our office  
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited





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The Directors  
Sundry Foods Limited  
23 Nzimiro Street  
Old GRA  
Portharcourt, Nigeria

Gentlemen,

**ACCOUNTANTS' REPORT ON THE AUDITED FINANCIAL STATEMENTS OF SUNDRY FOODS LIMITED FOR THE YEARS ENDED 31 DECEMBER 2022, 2021, 2020, 2019 AND 2018**

**Report on the Financial Statements**

We have reviewed the audited financial statements of Sundry Foods Limited ("the Company") which comprise the statements of financial position as at 31 December 2022, 2021, 2020, 2019 and 2018, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the years ended 31 December 2022, 2021, 2020, 2019 and 2018, and a summary of significant accounting policies and other explanatory information, for the proposed ₦5.5 billion bond issuance programme through the Sundry Foods Limited ("the Offer"). Deloitte & Touche were the auditors of the Company for the years ended 31 December 2022, 2021, 2020, 2019 and 2018, and unmodified audit opinions were issued by the auditors for the five years ended 31 December 2022, 2021, 2020, 2019 and 2018.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the applicable financial reporting framework and for such internal control as management determines is necessary to enable the preparation of the financial statements and fair presentation that are free from material misstatement, whether due to fraud or error.

**Accountant's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with the International Standard on Review Engagement (ISRE) 2400, Engagements to Review Historical Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.



**ACCOUNTANTS' REPORT ON THE AUDITED FINANCIAL STATEMENTS OF SUNDRY FOODS LIMITED FOR THE YEARS ENDED 31 DECEMBER 2022, 2021, 2020, 2019 AND 2018 - CONTINUED**

**Conclusion**

A review of financial statements in accordance with ISRE 2400 is a limited assurance engagement. The accountant performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Sundry Foods Limited as at 31 December 2022, 2021, 2020, 2019 and 2018, and their financial performance and cash flows for the years ended 31 December 2022, 2021, 2020, 2019 and 2018, in accordance with applicable financial reporting framework.

This report is solely for the use of the Directors of Sundry Foods Limited and other relevant parties. No part of this report may be quoted or circulated outside these parties without the prior written approval of Ernst & Young.

Yours faithfully,

Omolola Alebiosu  
FRC/2012/ICAN/00000000145

For: Ernst & Young  
Lagos, Nigeria

Date: 7 July 2023

**APPENDIX XV: FINANCIAL INFORMATION****Statement of Financial Position**

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	2,930	4,385	4,610	7,728	10,792
Investment property	16	8	-	-	-
Right of Use assets	610	573	671	870	923
Prepayment	-	-	-	257	880
Total non-current assets	3,556	4,966	5,281	8,855	12,595
<b>Current assets</b>					
Inventories	437	488	695	1,151	1,869
Trade and other receivables	308	368	256	316	660
Other assets	215	288	1,150	507	816
Cash and cash equivalents	293	300	865	2,144	1,869
Total current assets	1,253	1,444	2,967	4,118	5,214
<b>Total assets</b>	<b>4,809</b>	<b>6,410</b>	<b>8,246</b>	<b>12,973</b>	<b>17,809</b>
<b>Equity</b>					
Issued share capital	410	410	415	415	720
Share premium	313	313	324	324	19
Retained earnings	1,690	2,226	2,499	3,887	5,265
Total equity	2,413	2,949	3,238	4,626	6,004
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Loans and borrowings	361	840	2,063	4,101	2,520
Lease liabilities	26	94	224	293	305
Deposit for shares	16	16	-	-	-
-Deferred tax	249	286	396	670	1,156
Total non-current liabilities	652	1,236	2,683	5,064	3,981
<b>Current liabilities</b>					
Loans and borrowings	847	813	718	806	4,508
Income tax	226	371	214	509	672
Trade and other payables	670	1,040	1,392	1,968	2,644
Total current liabilities	1,743	2,224	2,324	3,283	7,824
<b>Total liabilities</b>	<b>2,395</b>	<b>3,460</b>	<b>5,007</b>	<b>8,347</b>	<b>11,805</b>
<b>Total equity and liabilities</b>	<b>4,809</b>	<b>6,410</b>	<b>8,246</b>	<b>12,973</b>	<b>17,809</b>

## Statement of Profit or Loss and Other Comprehensive Income

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Revenue	7,862	10,446	11,320	20,975	32,858
Cost of sales	(4,075)	(5,412)	(6,131)	(11,820)	(19,994)
Gross profit	3,787	5,034	5,189	9,155	12,864
Administrative expenses	(2,621)	(3,425)	(3,987)	(6,140)	(8,779)
Selling and distribution expenses	(42)	(127)	(107)	(180)	(260)
Operating profit	1,124	1,482	1,095	2,835	3,825
Finance costs	(257)	(378)	(364)	(591)	(898)
Other income	73	90	115	128	234
Allowance for impairment				(14)	(4)
<b>Profit before tax</b>	940	1,194	846	2,358	3,157
Income tax expense	(309)	(408)	(324)	(783)	(1,157)
<b>Profit for the year</b>	<b>631</b>	<b>786</b>	<b>522</b>	<b>1,575</b>	<b>2,000</b>
<i>Other Comprehensive Income</i>					
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
<b>Total comprehensive income</b>	<b>631</b>	<b>786</b>	<b>522</b>	<b>1,575</b>	<b>2,000</b>

## Statement of Cash Flows

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
<b>Cash flows from operating activities</b>					
Receipts from customers	7,890	10,394	11,214	21,312	31,907
Payments to suppliers and employees	(6,568)	(7,970)	(9,163)	(16,473)	(26,429)
Cash provided by operating activities	1,322	2,425	2,051	4,839	5,478
Income taxes paid	(174)	(226)	(371)	(214)	(509)
Net cash provided by operating activities	1,148	2,199	1,679	4,625	4,969
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment	(1,245)	(2,067)	(1,026)	(4,195)	(4,734)
Proceeds from disposal of property, plant and equipment	2	4	3	9	4
(Increase)/decrease in advances to project contractors	93	(44)	(837)	(257)	(880)
Net cash used in investing activities	(1,150)	(2,107)	(1,861)	(4,443)	(5,610)
<b>Cash flows from financing activities</b>					
Dividend paid to owners of the company	(125)	(249)	(164)	(187)	(474)
Interest paid	(249)	(346)	(351)	(591)	(898)
Adjustment to retained earning	-	-	-	-	-
Proceeds from long term loan	262	912	1,930	2,500	-
Deferred Charges	-	-	-	-	-
Repayment of long-term loan	(224)	(332)	(932)	(248)	(248)
Proceeds from vehicle finance facility	41	98	-	-	-
Repayment of vehicle finance facility	(17)	(35)	(31)	(47)	(57)
Proceeds from short term loan	500	300	500	1,000	2,763
Repayment of short-term loan	(100)	(541)	(259)	(1,000)	(500)
Proceeds from long term finance lease facility	-	81	-	-	-
Increase in leased liabilities	-	68	130	-	-
Repayment of long-term finance lease facility	(61)	(41)	(76)	-	-
Payment for Right of Use Assets				(329)	(221)
Net cash (used in)/provided by financing activities	27	(85)	747	1,098	365
Net increase in cash and cash equivalents	27	7	565	1,280	(276)
Cash and cash equivalents at beginning of the year	265	293	300	865	2,144
<b>Cash and cash equivalents at end of the year</b>	<b>293</b>	<b>300</b>	<b>865</b>	<b>2,145</b>	<b>1,868</b>

## Statement of changes in equity

In millions of Nigerian Naira	Share Capital	Share Premium	Preference shares	Retained Earnings	Total
<b>FOR THE YEARS ENDED 31 DECEMBER 2022</b>					
<b>1 January 2022</b>					
Profit for the year	415	323	-	3,887	4,627
Total comprehensive income	-	-	-	2001	2001
Addition to Shares	-	(304)	-	-	-
Dividend paid	-	-	-	(623)	(623)
<b>At 31 December 2022</b>	<b>720</b>	<b>19</b>	<b>-</b>	<b>5,265</b>	<b>6,004</b>
<b>1 January 2021</b>	<b>415</b>	<b>324</b>	<b>-</b>	<b>2,499</b>	<b>3,238</b>
Profit for the year	-	-	-	1,575	1,575
Total comprehensive income	-	-	-	1,575	1,575
Addition to Shares	-	-	-	-	-
Dividend paid	-	-	-	(187)	(187)
<b>At 31 December 2021</b>	<b>415</b>	<b>324</b>	<b>-</b>	<b>3,887</b>	<b>4,627</b>
<b>FOR THE YEARS ENDED 31 DECEMBER 2020</b>					
<b>1 January 2020</b>	<b>410</b>	<b>313</b>	<b>-</b>	<b>2,226</b>	<b>2,950</b>
Profit for the year	-	-	-	522	522
Total comprehensive income	-	-	-	522	522
Addition to Shares	5	11	-	-	16
Dividend paid	-	-	-	(249)	(249)
<b>At 31 December 2020</b>	<b>415</b>	<b>324</b>	<b>-</b>	<b>2,499</b>	<b>3,238</b>
<b>FOR THE YEARS ENDED 31 DECEMBER 2019</b>					
<b>1 January 2019</b>	<b>410</b>	<b>312</b>	<b>-</b>	<b>1,689</b>	<b>2,413</b>
Profit for the year	-	-	-	785	785
Dividend paid	-	-	-	(249)	(249)
<b>At 31 December 2019</b>	<b>410</b>	<b>312</b>	<b>-</b>	<b>2,226</b>	<b>2,949</b>
<b>FOR THE YEARS ENDED 31 DECEMBER 2018</b>					
<b>1 January 2018</b>	<b>410</b>	<b>312</b>		<b>1,183</b>	
Profit for the year				631	
Dividend paid				(124)	
<b>At 31 December 2018</b>	<b>410</b>	<b>312</b>		<b>2,226</b>	<b>2,949</b>

## Notes to the financial statement

### 1 Reporting Entity

Sundry Foods Limited is situated at 23 Nzimiro Street, Old GRA, Port Harcourt. The company was incorporated in Nigeria on 8 December 2003 and commenced business on 2 October 2004. The Company is primarily involved in the provision of food services i.e. developing and operating restaurants and bakeries and providing catering services to individuals and corporate entities.

### 2 Basis of preparation

#### 2a Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the international Accounting Standards Board (IASB).

**2b** These financial statements have been prepared under the historical cost basis except for the following:

- 1. Inventory at lower cost and Net book Value**
- 2. Lease at present value of Obligations.**

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 millions, except when otherwise indicated.

#### **(b) Functional and presentation currency**

**2c** 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 millions, except when otherwise indicated.

#### **2d Use of estimates and judgements**

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount 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 accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions, estimation uncertainties, and critical judgments in applying accounting policies that have a significant effect on the amounts recognised in the financial statements are described below; Note 15 – Deferred taxation

#### **2e Going Concern**

The Company's Directors have made an assessment of its ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, they are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore the financial statements are prepared on the going concern basis.

**2f** Adoption of new and revised International Financial Reporting Standards (IFRS)

#### **2.1f New and amended IFRS standards that are effective for the current year**



The company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in 2021, but do not have any material impact on the financial statements of the Company.

## **2.2f Impact of the Interest Rate Benchmark Reform —Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)**

The amendments in Interest Rate Benchmark Reform —Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition. The amendments are not relevant to the Company given that it does not apply hedge accounting to its benchmark interest rate.

## **2.3f Covid-19 Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)**

The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification. In May 2020, the IASB issued Covid-19 Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19 related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all the following conditions are met:

- i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- ii) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
- iii) There is no substantive change to other terms and conditions of the lease.

These amendments had no impact on the financial statements of the Company but may impact future periods should the Company have any rent concessions.

## **2.3 f Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) (cont'd)**

### **New and revised IFRS Standards in issue but not yet effective**

Certain new accounting standards and interpretations have been published that are not mandatory for December 2021 reporting periods and have not been early adopted by the Company. The Company does not expect the new accounting standards and interpretations to have a material impact on its current or future reporting periods.

Details of these new standards and interpretations are set out below:

- IFRS 17 Insurance Contracts - Effective for annual periods beginning on or after 1 January 2023
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies – Effective for annual period beginning on or after January 1 2023

- Amendments to IAS 12 Deferred Tax – Effective date for annual period beginning on or after January 1 2023
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 – Effective for annual periods beginning on or after 1 January 2022.
- Amendments to IAS 16 Property, Plant and Equipment – Effective date for annual periods beginning on or after 1 January 2022
- Amendments to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract – Effective date for annual periods beginning on or after 1 January 2022.

### **3. Significant accounting policies**

#### **(a) Statement of compliance**

The Company's Financial Statements have been prepared in accordance with the International Financial Reporting Standards

#### **(b) Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and related interpretation from the International Financial Reporting Committee (IFRIC) set by the International Accounting Standards Board (IASB) and adopted by the Federal Republic of Nigeria, under the regulation of the Financial Reporting Council of Nigeria, in addition to those relevant sections of the Companies and Allied Matters Act 202 as amended applicable to companies reporting under IFRSs

#### **(c) Basis of measurement**

The financial statements have been prepared on the historical cost basis. Historical Cost Method is generally based on the fair value of the consideration given in exchange for assets.

#### **(d) Functional and presentation currency**

These financial statements are presented in Nigerian Naira, which is the Company's functional currency. All financial information presented in Naira have been rounded to the nearest millions unless stated otherwise.

### **4. The Principal Accounting Policies are stated below:-**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in all the years presented.

#### **4.1 Revenue**

Revenue is measured at the fair value of the consideration received and receivable for goods and services in the ordinary course of the Company's activities and it is stated at the net of value added tax (VAT), rebates and returns. Revenue are recognised when control of the products is transferred, being when the products are shipped to the customers or the company has objective evidence that all the criteria for acceptance have been satisfied as stated below:-

1. The Contract is approved by the parties.
2. Right and Obligations are recognised.
3. Collectability is probable.
4. The contract has commercial substance.
5. The payment terms and consideration are identifiable.

If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

#### **4.2 Other income**

This comprises rental income, finance income, gain from disposal of property, plant and equipment and service and delivery charge for outdoor catering activities.

Income arising from disposal of items of property, plant and equipment and scraps is recognised at the time when the sales have been made. The profit on disposal is calculated as the difference between the net proceeds and the carrying amount of the assets.

Finance income comprises interest income on short-term deposits with banks. Interest income on short-term deposits is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is recognised in the statement of profit or loss and other comprehensive income as it accrues, using the effective interest method.

#### **4.3 Expenditure**

Expenditures are recognised as they accrue during the course of the year. Analysis of expenses recognised in the statement of comprehensive income is presented in a classification based on the function of the expense as this provides information that is reliable and more relevant than their nature.

The Company classifies its expenses as follows:

Cost of sales;

Selling and distribution expenses

Administration expenses;

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

#### **4.4 Property, plant and equipment**

##### **(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

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 and equipment.

##### **(ii) Subsequent cost**

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

### (iii) Depreciation

Depreciation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised, disposed or classified as held for sale. Land is not depreciated as it is deemed to have an infinite life.

The depreciation rate for the current and corresponding years are as follows:

Improvements on leased building	Over the life of the lease
Improvements on owned buildings	25 years
Land	Not depreciated
Bakery and kitchen equipment	5 years
Shop fittings	4 years
Office fittings and equipment	2-4 years
Motor vehicles	4 years

Depreciation methods, useful life and residual values are reviewed at each reporting date.

### (iv) Derecognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

## 4.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on First In First Out (FIFO) principle and includes expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Raw and packaging materials are measured at actual cost comprising invoice price, duty, freight, and handling charges.

## 4.6 Taxation

Uncertainties exist with respect to the amount and timing of future taxable income. Given the complexity of existing contractual agreement, differences arising between the actual results and the assumptions made could necessitate future adjustment to tax income and expenses already recorded. The Company establishes provisions based on reasonable estimates.

### Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in future 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.

## Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets 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 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.

## 4.7 Employee benefits

### (i) Defined contribution plan

The Company operates a defined contribution pension scheme in line with the Pension Reform Act 2014 (amended). The Employees and the Company each contribute 8% & 10% respectively of basic salary, housing and transport allowances. The Company's contributions are accrued and charged to profit or loss as and when the relevant service is provided by the employees. The Company has no further payment obligations once the contributions have been paid.

### (ii) Short-term benefits

The Company recognizes the cost of employee benefits immediately they are incurred and in the period they are incurred and include the following:

- a) wages, salaries and pension contributions
- b) paid annual leave and paid sick leave
- c) profit-sharing and bonuses
- d) non-monetary benefits (such as medical care, housing, cars and other similar benefits) for current employees

### (iii) Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. It is recognised as an expense in profit and loss immediately the employee has disengaged from the Company's services. Termination benefits for voluntary redundancies are recognised if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

## 4.8 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash

flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

#### **4.9 Foreign currency translation**

Transactions in foreign currencies are translated to the respective functional currencies of Sundry Foods Limited at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss arising on monetary items is the difference between remeasuring of these items at rates different from those at which they were either initially recognised (if in the period) or previously measured (at the end of the previous reporting period). Differences arising on settlement or translation of monetary items are recognised in profit or loss.

#### **4.10 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, cash at bank and other financial instruments like placements, treasury bills etc with a duration below 90 days.

#### **4.11 Share capital and reserves**

##### **(i) Share issue cost**

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

##### **(ii) Dividend on the Company's ordinary shares**

Dividends on the Company's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Company's shareholders. Dividend that is proposed but not yet declared is disclosed in the notes to the financial statements.

#### **4.12 Borrowing costs**

Borrowing costs are written off to the profit or loss in the period in which they occur except for borrowing costs directly related to acquisition, construction and production of qualifying assets not yet put to use i.e work in progress. Such borrowing costs are capitalised with the respective assets and depreciated alongside these assets over the useful life in accordance with IAS 23. However, if the entity suspends activities related to the development of the asset for an extended period, capitalisation of borrowing costs should cease until such a time as the activities are resumed.

Capitalisation should cease when substantially all the activities necessary to prepare the qualifying assets for its intended use or sale are complete.

#### **4.13 Interest income and interest expense**

Interest income and expenses are recognised as they are accrued in profit or loss, using the effective interest method.

#### **4.14 Repairs and maintenance**

Costs of repairs and maintenance are written off as and when incurred but major overhaul expenditure is capitalised and depreciated over the remaining life of the assets concerned.

#### **4.15 Statement of cash flows**

The statement of cash flows is prepared using the direct method. Changes in statement of financial position items that have not resulted in cash flows are eliminated for the purpose of preparing this statement. Dividends paid to ordinary shareholders are included in financing activities. Dividends received are classified as operating activities. Interest paid is also included in financing activities. Cash and cash equivalent includes cash in hand, cash balances with banks, short term commercial papers and investments in money market instruments.

#### **4.16 Investment property**

The Company measures its investment property initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day to day servicing of an investment property. After initial recognition, the Company measures its investment property using the cost model. Consequently, the value of investment property is carried at cost less accumulated depreciation and any accumulated impairment losses.

Investment property is derecognised when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the period of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property, the deemed cost for subsequent accounting is the fair value at the date the change in use. If owner occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

#### **4.17 Leases**

The Company has applied IFRS 16 using cumulative catch-up approach and therefore comparative information has not been restated and is presented under IAS 17. The details of accounting policies under both IAS 17 AND IFRS 16 are presented separately below.

#### **Policy applicable from 1 January 2021**

##### **The Company as a lessee**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-to-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payment as an operating expense on a straight-line basis over the term of the lease unless another systematic basis over the terms of the leases unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed Lease Payments (including in-substance fixed payments) less any lease incentive receivable;



- Variable lease payments that depends on an index or rate, initially measures using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual guarantees
- The exercise price of purchase option, if the lessee is reasonably certain to exercise the options; and
- Payment of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease
- The lease liability is presented as a separate line in the statement of financial position
- The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payment method
- The Company remeasured the lease liability ( and makes a corresponding adjustment to the related right-of-use asset
- The lease term has changed or there is a significant event or change in circumstance resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payment using a revised discount rate.
- The lease payment change due to changes in an index or rate or a change in expected payment under a guarantee residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payment change is due to a change in a floating interest rate, in which case a revised discount rate is used

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payment using a discount rate at the effective date of modification,

The Company did not make any such adjustment during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leases asset, restore the site on which it is located or restore the underlying assets to the condition required by the terms and conditions of the IAS 37. To the extent that the costs relate to a right-of-use assets, the costs are included in the related right-to-use assets, unless those costs are incurred to produce inventories

Right-to-use are depreciated over the shorter period of lease term and useful life of the underlying assets. If a lease transfer ownership of the underlying asset or the cost of the right-to-use asset reflects that the company expects to exercise a purchase option, the related right-to-use assets is depreciated over the useful life of the underlying asset.

The depreciation starts at the commencement date of the lease. The right-to-use assets are presented as a separate line in the Statement of Financial position.

The Company applied IAS 36 to determine whether a right-to-use assets is impaired and accounts for any identified impairment loss as described in the 'Property Plant and Equipment'

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-to-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payment occurs and are included in 'other expenses' in profit or loss.

#### 4.18 Financial instruments

**(i) General**

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

Non-derivative financial instruments comprise investments in debt securities, trade and other receivables, finance lease, cash and cash equivalents, loans and borrowings, and trade and other payables.

**Financial assets**

Financial assets are recognised initially at fair value plus any directly attributable transaction costs, except in the case of financial assets measured at fair value through profit or loss where transaction costs are recognised as an expense when incurred. Subsequent to initial recognition financial assets are measured as described hereafter.

The Company's financial assets includes trade receivables and cash and cash equivalent.

Subsequent measurement of financial assets

**(ii) Impairment of Trade receivable**

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost under (IFRS 9: Financial instruments). The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions. The general approach assesses impairment based on changes in credit risk since initial recognition using the past due criterion. Finance assets classified as stage 1 have their ECL measured as a proportion of the lifetime ECL that results from possible default events that can occurs within one year, while assets in stage 2 or 3 have their ECL measured on a lifetime basis.

**(iii) Held-to-maturity investments**

These are instruments that the Company has the positive intent and ability to hold to maturity; they are classified as held-to-maturity. Debt securities, loans and long-term receivables are measured at amortised cost using the effective interest method, less any impairment losses. Held-to-maturity are recognised or derecognised on the day they are transferred to or by the Company.

**(iv) Available for sale investments**

Investments in equity securities and certain debt securities are classified as available-for-sale. Subsequent to initial recognition, they are measured at fair value and changes therein – other than impairment losses and foreign currency differences on available-for-sale monetary items are recognised in other comprehensive income and presented within equity in the fair value reserve. When these are derecognised, the relevant cumulative gain or loss in the fair value reserve is transferred to profit or loss.

**(v) Financial assets at fair value through profit or loss**

An instrument is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Instrument at fair value through profit or loss are measured at fair value. All changes in fair value are recognised as part of net trading income in profit or loss. Instruments at fair value through profit and loss are recognised or derecognised by the Company on the date it commits to sell the financial assets.

**(e) Impairment**

**(i) Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and impairment recognised.

**Derecognition**

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition. Gains or losses on derecognition of financial assets are recognised as finance income/cost.

**Financial liabilities**

The Company derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the carrying amount is recognized immediately in the statement of profit or loss account

**Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position. Offsetting can be applied when there is legally enforceable right to offset the recognised amount and there is an intention to settle on a net basis or realise the assets and settle the liability simultaneously.

can be applied when there is a 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.

**(vi) Loans and receivables**

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term. Assets in this category arises when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than twelve months after the reporting date. These are classified as non-current assets. The Company's loans and receivables comprise of non-current receivables, trade and other receivables.

**Financial liabilities**

Financial liabilities are classified as financial liabilities at fair value through profit or loss, or at amortised cost. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction cost carried at amortised cost. This includes directly attributable transaction costs.

**(vii) Trade and other payables**

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments over the expected life of the financial asset or liability.

**(viii) Loans and borrowings**

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Loans and borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Loans and borrowings, for which the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, are classified as non-current liabilities.

**Subsequent measurement of Financial liabilities**

Interest bearing loans and borrowings are measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised.

The Company's financial liabilities include loans and borrowings, trade payables and accruals, deposit for shares and preference shares which are measured at amortised cost using the effective interest method.

**5. Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

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

Information about significant areas of estimation, uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

**5.2 Key sources of estimation uncertainty**

**5.2.1 Property, plant and equipment**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statement of comprehensive income.

The useful lives and residual values of the property, plant and equipment are determined by management based on historical experience as well as anticipation of future events and circumstances which may impact their useful lives.

### 5.2.2 Taxation

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose treatment cannot be finally determined until resolution has been reached with the relevant tax authority. Under the Nigerian tax system, self-assessment returns are subjected to a desk review for the determination of tax due for remittance in the relevant year of assessment. This is however not conclusive as field audits are carried out within six years of the end of the relevant year of assessment to determine the adequacy or otherwise of sums remitted under self- assessment thus making tax positions uncertain.

## 6. Revenue

The following is an analysis of the Company's revenue for the year

<b>In millions of Nigerian</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>
Credit Sales	647	634	693	-	-
Cash Sales	7,215	9,812	10,627	-	-
Mass Market Sales of Baked Goods	-	-	-	1,680	2,852
Wholesale of Prepared Food and Drnks	-	-	-	950	1,440
Retail sales of Prepared Food and Drinks	-	-	-	18,346	28,566
	<b>7,862</b>	<b>10,446</b>	<b>11,320</b>	<b>20,976</b>	<b>32,858</b>

This relates to revenue earned from the sale of food and catering services rendered to individuals and corporate entities. All revenue from credit sales have been recognized based on the performance obligation and transaction prices in the contract with the Customers.

## 7. Other Income

<b>In millions of Nigerian</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>
Rental Income	27	55	95	109	123
Interest Income	17	18	8	5	50
Insurance Income	-	-	-	2	-
ITF Reimbursement	-	-	-	6	8
Grant	-	-	-	-	50
Other Income	27	13	11	-	-
Profit on disposal of assets	2	4	2	6	3
	<b>73</b>	<b>90</b>	<b>116</b>	<b>128</b>	<b>234</b>

Others relate to income generated from non-core operations such as service and delivery charges, insurance claims, interest on Fixed Deposit etc.

## 8. Cost of Sales

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Raw Materials	3,677	4,885	5,572	10,767	17,463
Production costs (Note 8a)	398	527	559	1,053	2,531
	4,075	5,412	6,131	11,820	19,994

### 8a. Production Costs

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Consumables	52	80	84	180	259
Diesel and gas	299	380	390	697	1,997
Fuel and lubricants	18	25	27	39	45
Others (8b)	30	42	58	136	231
	399	527	559	1,052	2,531

### 8b. Others

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Non trading items	18	26	31	53	77
Carriage inward	12	16	27	83	154
	30	42	58	136	231

## 9. Administrative Expenses

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Salaries and wages	975	1,239	1,472	2,528	3,528
Other staff expenses	140	194	222	356	516
Transport, travelling and	52	53	43	76	182
Directors fee	41	47	56	68	70
Rent expenses	277	395	371	450	485
Repairs and maintenance	200	157	186	334	454
Utilities	165	294	332	505	790
Legal and professional expenses	15	19	9	26	55
Audit fees	8	10	12	12	18
Depreciation:					
– Property, plant and	490	612	801	1,074	1,669
– Investment Property	8	8	8	-	-
– Right of Use Assets	25	75	91	130	169
Bank Charges	21	46	35	63	100
Security expenses	66	82	97	188	258
Insurance	23	26	34	40	57
Sanitation	53	69	88	132	224
Rates and levies	16	17	17	41	39
Telephone and subscriptions	27	61	57	83	115
Couriers and postage	8	10	19	8	3
Provision of impairment	-	-	22	-	-
Printing and stationaries	9	13	13	28	47
	2,619	3,427	3,985	6,140	8,779

## 10. Selling and distribution Expenses

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Marketing expenses	42	127	107	180	260

## 11. Finance Costs

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Interest on loan and obligations	240	346	318	540	853
Other finance charges	16	32	46	51	44
	256	378	364	591	898

## 12. Profit before is stated after charging/(crediting):

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Depreciation on property, plant and equipment	490	612	801	1,074	1,669
Depreciation on investment property	8	8	8	-	-
Depreciation on Right-of-use assets	25	75	91	-	-
Operating Lease Expense	-	-	-	130	169
Directors' remuneration	41	47	56	68	70
Auditor's remuneration	8	10	12	12	18
Gain on disposal of property, plant and equipment	(2)	(4)	(2)	(6)	(4)

## 13. Taxation

### a. Income tax recognised in profit or loss

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

#### Current tax expense

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Company Income tax	197	333	179	422	551
Education tax	29	38	36	87	121
	226	371	215	509	672
Deferred taxation	83	37	110	274	485
<b>Total income tax expense</b>	<b>309</b>	<b>408</b>	<b>325</b>	<b>783</b>	<b>1,157</b>

Corporation tax is calculated at 30 per cent (2018, 2019, 2020, 2021: 30 per cent) of the estimated taxable profit for the year. The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21, LFN, 2004 as amended.

The charge for education tax of 2.5 per cent (2018, 2019: 2020: 2 per cent) is based on the provisions of the Tertiary Education Trust Act 2011.



### Reconciliation of effective tax rate

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Profit before tax from	941	1,194	846	2,359	3,158
Income tax expense calculated at 30% (2020: 30%)	282	358	254	708	947
Effect of income that is exempt from taxation	(0)	(1)	(0)	(2)	(1)
Effect of expenses that are not deductible in determining taxable profit	154	214	282	339	507
Education tax at 2% (2018-2020) / 2.5% (2021-2022) of assessable profit	29	38	36	87	121
Balancing charge/(allowance)	(0)	1	0	2	1
Capital allowances absorbed	(239)	(239)	(357)	(625)	(903)
Deferred Tax provisions			110	274	485
	<b>226</b>	<b>371</b>	<b>325</b>	<b>783</b>	<b>1,157</b>
<b>Effective tax rate</b>	24%	25%	38%	33%	37%

The tax rate used for the 2021 and 2020 reconciliations above is the corporate tax rate at 30% payable by corporate entities in Nigeria on taxable profits under Companies Income Tax Act, CAP C21 LFN 2004 as amended.

### 13.1 Deferred Taxation

The following is an analysis of deferred tax liabilities presented in the statement of financial position.

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Deferred tax liabilities	249	286	396	670	1,156
<b>Movement in deferred tax</b>					
At 1 January	166	249	286	396	670
Charge to profit or loss	83	37	110	274	485
<b>At 31 December</b>	<b>249</b>	<b>286</b>	<b>396</b>	<b>670</b>	<b>1,156</b>

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Opening Balance	Recognised in Profit or	Closing Balance
<b>31-Dec-18</b>			
<b>Deferred tax liabilities in</b>			
Property, plant and equipment	166	83	250
Exchange difference	-	-	-
Provisions	-	-	-
Adjustment on tax losses	-	-	-
	<b>166</b>	<b>83</b>	<b>250</b>
<b>31-Dec-19</b>			
<b>Deferred tax liabilities in</b>			
Property, plant and equipment	249	37	286

Exchange difference	-	-	-
Provisions	-	-	-
Adjustment on tax losses	-	-	-
	<b>249</b>	<b>37</b>	<b>286</b>
<b>31-Dec-20</b>			
<b>Deferred tax liabilities in</b>			
Property, plant and equipment	286	110	396
Exchange difference	-	-	-
Provisions	-	-	-
Adjustment on tax losses	-	-	-
	<b>286</b>	<b>110</b>	<b>396</b>
<b>31-Dec-21</b>			
<b>Deferred tax liabilities in</b>			
Property, plant and equipment	396	274	670
Exchange difference	-	-	-
Provisions	-	-	-
Adjustment on tax losses	-	-	-
	<b>396</b>	<b>274</b>	<b>670</b>
<b>31-Dec-22</b>			
<b>Deferred tax liabilities in</b>			
Property, plant and equipment	670	485	1,156
Exchange difference	-	-	-
Provisions	-	-	-
Adjustment on tax losses	-	-	-
	<b>670</b>	<b>485</b>	<b>1,156</b>

### 13.2 Current Tax liabilities

<b>In millions of Nigerian Naira</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>
Income tax	197	333	179	422	551
Education tax	29	38	36	87	121
	<b>226</b>	<b>371</b>	<b>215</b>	<b>509</b>	<b>672</b>
At 1 January	174	226	371	214	509
Charge for the year	226	371	214	509	672
Payment	(174)	(226)	(371)	(214)	(509)
<b>At 31 December</b>	<b>226</b>	<b>371</b>	<b>214</b>	<b>509</b>	<b>672</b>

### 14. Earnings per share

#### 14.1 Basic earnings per share

<b>In millions of Nigerian Naira</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>
Profit for the year attributable to owners of the company	632	632	522	1,575	2,001
Weighted average number of ordinary shares N1 each	410	410	415	415	720

<b>Basic earnings per share (in Naira)</b>	<b>1.54</b>	<b>1.54</b>	<b>1.26</b>	<b>3.79</b>	<b>2.78</b>
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## 14.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share is as follows:

<b>In millions of Nigerian Naira</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>
Earnings used in calculation basic earnings per share	632	632	522	1,575	2,001
<b>Earnings used in calculation of diluted earnings per share</b>	<b>632</b>	<b>632</b>	<b>522</b>	<b>1,575</b>	<b>2,001</b>

The weighted average number of shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

<b>In millions of Nigerian Naira</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>
Weighted average number of ordinary shares	410	410	415	415	720
Weighted average number of ordinary shares	410	410	415	415	720
<b>Diluted earnings per share (in Naira)</b>	<b>1.54</b>	<b>1.54</b>	<b>1.26</b>	<b>3.79</b>	<b>2.78</b>

## 15. Property, plant and equipment

<b>In millions of Nigerian Naira</b>	<b>Land</b>	<b>Building</b>	<b>Office fittings and equipme</b>	<b>Shop fittings</b>	<b>Motor cars</b>	<b>Bakery and kitchen equipme</b>	<b>Capital work-in-progress</b>	<b>Total</b>
Cost								
At January 2018	518	1,200	625	232	229	812	175	3,791
Additions	131	180	241	81	64	278	270	1,245
Transfer	-	329	-	-	-	-	(329)	-
Disposal	-	-	(18)	-	(0)	-	-	(18)
At 31 December 2018	649	1,709	848	313	293	1,090	116	5,018
Additions	458	470	339	114	146	335	205	2,067
Transfers	-	115	-	-	-	-	(115)	-
Disposal	-	-	(16)	-	(18)	-	-	(34)
At 31 December 2019	1,107	2,294	1,171	427	438	1,425	206	7,051
Accumulated depreciation								
At 1 January 2018		455	433	141	114	473	-	1,616
Additions		119	147	47	51	125	-	490
Disposal		-	(18)	-	(0)	-	-	(18)
At 31 December 2018		574	562	188	165	598	-	2,088

Charge for the year	131	185	59	70	167	-	612
Disposal	-	(16)	-	(18)	-	-	(34)
At 31 December 2019	705	732	248	217	765	-	2,666

#### Net book value

At 31 December 2019	1,107	1,589	439	179	221	660	206	4,385
At 31 December 2018	649	1,135	286	125	129	492	116	2,930

In millions of Nigerian Naira	Land	Building	Office fittings and equipment	Shop fittings	Motor cars	Bakery and kitchen equipment	Capital work-in-progress	Total
<b>Cost</b>								
At January 2019	649	(1,710)	847	313	293	1,090	115	5,018
Additions	458	470	339	114	146	335	205	2,067
Transfer	-	115	-	-	-	-	(115)	-
Disposal	-	-	(16)	-	(18)	-	-	(34)
At 31 December 2019	1,107	2,295	1,170	427	421	1,425	204	7,051
Additions	93	327	278	87	31	210	-	1,026
Transfers	-	197	-	-	-	-	(197)	-
Disposal	-	-	-	-	(25)	-	-	(25)
At 31 December 2020	1,200	2,819	1,448	514	427	1,635	7	8,052

#### Accumulated depreciation

At 1 January 2019	-	575	562	189	164	598	-	2,088
Additions	-	131	185	59	70	167	-	612
Disposal	-	-	(16)	-	(18)	-	-	(34)
At 31 December 2019	-	705	732	248	216	765	-	2,666
Charge for the year	-	166	257	79	87	212	-	801
Disposal	-	-	-	-	(24)	-	-	(24)
At 31 December 2020	-	871	989	327	279	977	-	3,443

#### Net book value

-								
At 31 December 2020	1,200	1,948	459	187	148	658	7	4,609
At 31 December 2019	1,107	1,590	438	179	204	660	204	4,385

In millions of Nigerian Naira	Land	Building	Office fittings and equipment	Shop fittings	Motor cars	Bakery and kitchen equipment	Capital work-in-progress	Total
<b>Cost</b>								
At January 2020	1,108	2,296	1,170	427	421	1,425	205	7,051
Additions	93	327	278	87	31	210	-	1,026
Transfer	-	197	-	-	-	-	(197)	-
Disposal	-	-	-	-	(25)	-	-	(25)
At 31 December 2020	1,201	2,820	1,448	514	427	1,635	8	8,052
Additions	651	1,452	736	303	128	924	-	4,195

Transfers		5	-	-	-	-	(5)	-
Disposal	-	-	(16)	-	(38)	-	-	(55)
At 31 December 2021	1,852	4,277	2,168	817	517	2,559	3	12,192

#### Accumulated depreciation

At 1 January 2020	-	705	732	248	216	765	-	2,666
Additions	-	166	257	79	87	212	-	801
Disposal	-	-	-	-	(24)	-	-	(24)
At 31 December 2020	-	871	989	327	279	977	-	3,443
Charge for the year	-	216	359	113	86	301	-	1,074
Disposal	-	-	(16)	-	(36)	-	-	(52)
At 31 December 2021	-	1,087	1,332	440	329	1,279	-	4,465

#### Net book value

At 31 December 2021	1,852	3,190	836	377	188	1,281	3	7,727
At 31 December 2020	1,201	1,948	459	187	148	658	8	4,609

In millions of Nigerian Naira	Land	Building	Office fittings and equipment	Shop fittings	Motor cars	Bakery and kitchen equipment	Capital work-in-progress	Total
<b>Cost</b>								
At January 2021	1,201	2,819	1,448	514	428	1,635	8	8,053
Additions	651	1,452	736	303	128	924	-	4,195
Transfer	-	5	-	-	-	-	(5)	-
Disposal	-	-	(16)	-	(38)	-	-	(55)
At 31 December 2021	1,852	4,275	2,168	817	517	2,560	3	12,193
Additions	530	1,332	1,063	243	392	1,173	-	4,734
Disposal	-	-	-	-	(32)	-	-	(32)
At 31 December 2021	2,382	5,608	3,231	1,060	878	3,733	-	16,895
<b>Accumulated depreciation</b>								
At 1 January 2021	-	871	989	327	279	977	-	3,443
Additions	-	216	359	113	86	301	-	1,074
Disposal	-	-	(16)	-	(36)	-	-	(52)
At 31 December 2021	-	1,087	1,332	440	329	1,277	-	4,465
Charge for the year	-	336	572	167	121	472	-	1,669
Disposal	-	-	-	-	(32)	-	-	(32)
At 31 December 2022	-	1,423	1,904	607	419	1,750	-	6,103
<b>Net book value</b>								
At 31 December 2022	2,382	4,184	1,327	452	460	1,983	3	10,792
At 31 December 2021	1,852	3,118	836	377	188	1,282	3	7,723

## 16. Investment Property

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
At 1 January	78	78	78	78	-

Additions	-	-	-	-	-
At 31 December	78	78	78	78	-
<b>Depreciation</b>					
At 1 January	54	62	70	78	-
Charge for the year	8	8	8	-	-
At 31 December	62	70	78	78	-
<b>Carrying amount</b>					
At 31 December	<b>15</b>	<b>8</b>	-	-	-

16a. Investment property represents a building located at Nyanya-Mararaba Road, Nasarawa State, which was leased by the Company for a period of 10 years commencing 1 May 2010. Given that the Company had no immediate use for the building, this was sub-leased to other tenants so as to earn rental income. Rental income from investment property included in this financial statements for the year is NIL (2020: ₦1,912,500). As at lease period has now concluded, the building was relinquished to the landlord during the year.

#### 17a. Right-of-Use Assets

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
At 1 January	-	869	907	1,095	1,425
Additions during the year	-	38	189	329	221
At 31 December	-	907	1,095	1,424	1,646
<b>Depreciation</b>	-				
At 1 January	-	258	334	425	555
Charge for the year	-	75	91	130	169
At 31 December	-	333	425	555	723
<b>Net Book Value</b>	-	574	671	869	923

#### 17b. Prepaid Lease Payments

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
<b>Cost</b>					
At 1 January	116	-	-	-	-
Additions	493	-	-	-	-
Adjustment	-	-	-	-	-
Operating lease expenses	(25)	-	-	-	-
<b>At 31 December</b>	584	-	-	-	-

Prepaid lease payments represent rental payments made by the entity in advance on leasehold land and buildings held under operating lease.

#### 18. Inventories

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Raw materials	221	337	437	834	1,416
Consumables	216	151	258	316	453
	437	488	695	1,150	1,869

The cost of inventories recognised as an expense during the year was ₦10.768billion (2020: ₦5.529billion).

There was no write-down of inventory value during the year (2020: Nil). There are no items of inventory pledged as security for any liability.

## 19. Trade and other receivables

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Trade Receivables	191	245	244	324	645
<b>Other Receivables</b>					
Advance Payments	73	-	-	-	-
Staff advances	17	12	9	7	1
Withholding tax receivable	-	-	7	3	32
Due from related party –			-	-	-
Other debtors	-	8	2	-	-
Allowance for asset doubtful	-	-	(6)	(20)	(24)
Interest receivable on fixed				10	6
	117	122	12	-	15
<b>Trade and other receivables</b>	<b>308</b>	<b>368</b>	<b>256</b>	<b>324</b>	<b>660</b>
<b>Amount Receivable from</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129</b>

- 19.1** The average credit period is 45 days. No interest is charged on overdue receivables. The Company has made an allowance for its receivable balance because from historical experience with their customers, these amounts have always been recovered subsequently. N19.596m allowance was made for receivables as at 31 December 2021 (2020: N6.334m).

Trade receivables disclosed in Note 19 include amounts (see below for aged analysis) that are past due at the end of the reporting period for which the Company has recognised an allowance for doubtful debts.

Age of trade receivables that are neither past due nor impaired

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
1-45 days	100	114	122	187	315
<u>Age of trade receivables that</u>					
46-90 days	11	68	69	79	200
91-180 days	49	63	47	38	126
Total	60	131	115	117	326
<u>Age of trade receivables that</u>					
are past due and impaired		-	6	20	3

- 19.2** Included in the company's trade receivables balance at the end of the year are the following debtors which represent more than 5% of the trade receivables balance:

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Nigerian Bottling Company	69	48	34	75	86
Indorama Eleme	48	60	52	33	53
West Africa Container	14	12	-	18	35
International Breweries PLC,	-	29	30	42	82
International Breweries PLC,	21	27	33	-	68
	152	176	149	168	322
Total Trade Receivables	191	245	244	317	645



Percentage Customers with more than 5% of trade receivables	80%	72%	61%	53%	<b>50%</b>
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## 20. Other Assets

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Prepaid rent	100	130	116	124	121
Prepaid professional fees	8	6	15	7	12
Prepaid insurance	12	16	18	18	26
Prepaid Medical	1	2	2	8	16
Prepaid utilities	16	15	21	22	19
Withholding tax receivable	0	-	-	-	-
Advances - Crown Estate	-	-	21	13	7
Advances for Property, plant	77	120	957	-	-
Advances to suppliers	-	-	-	315	615
	214	289	1,150	507	816

### 20.1 Advances for Property, plant and equipment

Advances for property, plant and equipment represent deposits made for items of property, plant and equipment in respect of the new restaurants to be opened by the Company. These equipment are yet to be received as at 31 December 2021. These amounts are also included in the statement of cash flows

## 21. Cash and Cash Equivalents

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Cash at bank	278	284	847	2,114	1,798
Cash at hand	14	15	18	30	71
	292	<b>299</b>	865	2,144	1,869

Cash and cash equivalents comprise cash and bank balances. The carrying amount of these assets approximate their fair value.

## 22. Share Capital

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
<b>Issued share capital</b>					
The Issued share capital of the Company is made up of 720,000 ordinary share capital of ₦1 each					
	720	720	720	720	720

### 22.1

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Issued and fully paid					
At 1 January	410	410	410	415	415
Additions	-	-	-	-	-

Bonus Shares Issued	-	-	-	-	305
At 31 December	410	410	415	415	720

## 22. Share Premium

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
At 1 January	313	313	313	324	324
Additions	-	-	11	-	-
Bonus Shares Issued	-	-	-	-	(305)
At 31 December	313	313	324	324	19

## 24. Retained Earnings

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
At 1 January	1,183	1,690	2,226	2,499	3,887
Dividend paid	(125)	(249)	(249)	(187)	(623)
	1,058	1,441	1,977	2,312	3,264
Profit for the year	632	786	522	1,575	2,001
At 31 December	1,690	2,227	2,499	3,887	5,265

## 25. Loans and borrowings

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
<i>Current</i>					
Long term loan (note 25i)	307	505	184	248	1,602
Vehicle finance lease	28	31	35	57	-
Long term finance lease	12	18	-	-	-
Short term loan (note	500	259	500	500	2,906
	847	813	718	805	4,508
<i>Non-current</i>					
Long term loan (note 25i)	292	674	1,994	4,182	2,586
Vehicle finance lease	45	101	70	-	-
Long term finance lease	24	64	-	-	-
Deferred Finance charge	-	-	-	(81)	(66)
	361	839	2,064	4,101	2,520

## Loans & Borrowings Analysis

### (i) Long term loan

The Company has term loan and Corporate Bond facilities amounting to ₦4,906.563 million (2020: ₦2,781.844 million) and nil balance of overdraft facilities with commercial banks as at the reporting date and is secured as follows:

- Pledge on shares of the Company
- Domiciliation of Company's sales proceeds from all outlets
- Personal Guarantee of the Managing Director supported by a statement of net worth
- Legal mortgage over company-owned property.

The movement on the term loan is as follows:

<b>In millions of Nigerian Naira</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>
At 1 January	560	599	1,179	2,177	4,349
Additions	262	912	1,930	2,500	-
Repayments	(224)	(332)	(932)	(248)	(248)
Deferred Finance charges	-	-	-	(81)	(66)
At 31 December	598	1,179	2,177	4,348	4,036
Current	307	505	184	248	1,602
Non-current	292	674	1,994	4,182	2,500
	599	1,179	2,177	4,430	4,102

(ii)

<b>In millions of Nigerian Naira</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>
	599	1,179	2,177	4,430	4,102
Deferred Finance charges	-	-	-	(81)	(66)
	599	1,179	2,177	4,349	4,036

Deferred Finance Charges relate to charges on the N2.5b public bond issued in Dec 2021.

### (iii) Lease Liabilities

<b>In millions of Nigerian Naira</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>
At 1 January	-	-	-	224	293
Additions	-	-	-	163	124
Repayments	-	-	-	(94)	(112)
	-	-	-	293	304

The leased liability arises due to the Right-of-use of the assets by the Company. The lease liabilities are computed based on the present value of the future benefits to be derived on the Right-of-Use on the assets.

### (iii) Short Term Loan

The movement in the short-term loan (due within 1 year) is as follows:

<b>In millions of Nigerian Naira</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>
At 1 January	106	500	259	500	500
Additions	500	300	500	1,000	2,763
Amortisation Adjustment	(6)	-	-	-	-
Repayments	(100)	(541)	(259)	(1,000)	(500)
At 31 December	500	259	500	500	2,763

The Company issued a Bond to CardinalStone Partners Limited to finance the purchase of landed properties and repayable over an 18-month period with a coupon rate of 14% p.a (Note33.2).

### (iv) Vehicle finance lease

The Company has a vehicle finance lease agreement with Access Bank. This facility was used to part finance the acquisition of vehicles.

The lease term is 48 months. The Company's obligations under this lease are secured by the lessor's title to the leased assets and interest is charged at the rate of 22%.

<b>In millions of Nigerian Naira</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>
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The movement on vehicle					
At 1 January	48	73	135	104	57
Additions	41	98	-	-	-
Repayments	(17)	(35)	(31)	(47)	(57)
At 31 December	72	136	104	57	-

Minimum Lease Payments					
In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Within one year	33	31	35	62	-
Later than one year and not	53	128	79	-	-
Later than five years	-	-	-	-	-
	86	159	114	62	-
Less: Future finance charges	(13)	(24)	(9)	(4)	-
Present value of minimum	73	135	105	58	-

Present Value of Minimum Lease Payments					
In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Within one year	28	31	35	62	-
Later than one year and not	45	104	70	-	-
Later than five years	-	-	-	-	-
	73	135	105	62	-
Less: Future finance charges	-	-	-	(4)	-
Present value of minimum	73	135	105	58	-

**(v) Other finance lease facility**

The Company had a finance lease facility with Stanbic IBTC. This facility was used to part finance the purchase of some equipment required for the roll out of new Kilimanjaro Restaurants at various locations in Nigeria and develop additional restaurants.

This facility has been fully repaid.

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
The movement in the long					
At 1 January	100	36	76	-	-
Additions	-	81	-	-	-
Repayments	(63)	(41)	(76)	-	-
At 31 December	37	76	-	-	-

Minimum Lease Payments					
In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Not later than one year	25	18	25	-	-
Later than one year and not	29	78	29	-	-
Later than five years	-	-	-	-	-
	54	96	54	-	-
Less: Future finance charges	(18)	(19)	(54)	-	-
Present value of minimum	36	77	-	-	-

In millions of Nigerian Naira	Present Value of Minimum Lease Payments				
	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Not later than one year	12	18	12	-	-
Later than one year and not	24	59	24	-	-
Later than five years	-	-	-	-	-
	36	77	36	-	-
Less: Future finance charges	-	-	(36)	-	-
Present value of minimum	36	77	-	-	-

## 26. Lease Liabilities

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
At 1 January	-	-	94	224	-
Additions	-	-	130	163	-
Repayments	-	-	-	(94)	-
At 31 December	-	-	224	293	-

The leased liability arises due to the right of use of the assets by the Company. The lease liabilities are computed based on the present value of the future benefits to be derived on the ROU on the assets.

## 27. Deposit for shares

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
At 1 January	16	16	16	-	-
Transfer to share capital	-	-	(16)	-	-
At 31 December	16	16	-	-	-

This represents payment made by Sundry Foods Employee Share Purchase Scheme (SFESPS) in lieu of shares of the Company. The respective shares have been issued and allotted to the Scheme as at the end of year 2020.

## 28. Trade and other payables

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Trade payables	334	589	696	957	1,347
PAYE remittable	5	7	17	16	23
VAT payable	78	82	187	221	255
WHT payable	31	42	57	61	112
Pension payable (Note 28.1)	5	12	34	16	36
Unearned income	30	13	40	48	77
Accruals	155	219	175	509	483
MMIA facility management	3	3	1	1	4
Other creditors	-	41	151	68	75
Consumption tax	19	22	14	44	47
NSITF payable	-	-	2	-	-
Dividend payable	-	-	-	-	149
ITF payable	11	10	17	27	36
	671	1,040	1,391	1,968	2,644

### 28.1 Staff Pension

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
At 1 January	4	5	12	34	16

Contributions	51	68	96	198	209
Remittances to pension fund	(50)	(60)	(75)	(216)	(188)
At 31 December	5	13	33	16	36

## 28.1 Staff Pension (cont'd)

During the year, the Company remitted the pension contributions by both employees and employer to their respective pension fund administrators. The outstanding balance as at 31 December 2021 represents pension contribution for the month December 2021 which was remitted in January 2022.

## 29. Classifications of financial assets and liabilities

The table below provides a reconciliation of the line items in the company's financial position to the categories of financial assets and liabilities.

In millions of Nigerian Naira	Loans and Receivables	Non-financial assets	Total	Fair Value
<b>31 December 2018</b>				
<b>Assets</b>				
Cash and cash equivalents	293	-	293	293
Property, plant and	-	2,930	2,930	2,930
Inventories	-	437	437	437
Investment Property	-	16	16	16
Prepaid Lease Payments	-	-	-	-
Other assets	-	215	215	215
Trade and other receivables	308	-	308	308
<b>Total assets</b>	<b>601</b>	<b>3,598</b>	<b>4,199</b>	<b>4,199</b>

In millions of Nigerian Naira	Amortised cost	Non-financial liabilities	Total	Fair Value
<b>Liabilities</b>				
Loans and borrowings	1,208	-	1,208	1,208
Trade and other payables	670	-	670	670
Deferred tax	-	249	249	249
Income tax	-	226	226	226
Deposit for shares	-	16	16	16
	<b>1,878</b>	<b>491</b>	<b>2,369</b>	<b>2,369</b>

31 December 2019	Loans and Receivables	Non-financial assets	Total	Fair Value
<b>Assets</b>				
Cash and cash equivalents	300	-	300	300
Property, plant and	-	4,385	4,385	4,385
Advances for PPE	-	120	120	120
Right-of-Use Assets	-	573	573	573
Inventories	-	488	488	488
Investment Property	-	8	8	8

Other assets	-	168	168	168
Trade and other receivables	368	368	368	368
<b>Total assets</b>	<b>667</b>	<b>6,110</b>	<b>6,410</b>	<b>6,410</b>

<b>Liabilities</b>	<b>Amortised cost</b>	<b>Non-financial liabilities</b>	<b>Total</b>	<b>Fair Value</b>
Loans and borrowings	1,653	-	1,653	1,653
Trade and other payables	1,040	-	1,040	1,040
Lease liabilities	-	94	94	94
Deferred tax	-	286	286	286
Income tax	-	371	371	371
Deposit for shares	-	16	16	16
	<b>2,693</b>	<b>767</b>	<b>3,460</b>	<b>3,460</b>

<b>31 December 2020</b>	<b>Loans and Receivables</b>	<b>Non-financial assets</b>	<b>Total</b>	<b>Fair Value</b>
<b>Assets</b>				
Cash and cash equivalents	865	-	865	865
Property, plant and	-	4,610	4,610	4,610
Inventories	-	696	696	696
Right-of- Use Assets	-	671	671	671
Other assets	-	1,150	1,150	1,150
Trade and other receivables	256	-	256	256
<b>Total assets</b>	<b>1,121</b>	<b>7,127</b>	<b>8,248</b>	<b>8,248</b>

<b>Liabilities</b>	<b>Amortised cost</b>	<b>Non-financial liabilities</b>	<b>Total</b>	<b>Fair Value</b>
Loans and borrowings	2,782	-	2,782	2,782
Trade and other payables	1,392	-	1,392	1,392
Lease liabilities	-	224	224	224
Deferred tax	-	396	396	396
Income tax	-	214	214	214
	<b>4,174</b>	<b>834</b>	<b>5,008</b>	<b>5,008</b>

<b>31 December 2021</b>	<b>Loans and Receivables</b>	<b>Non-financial assets</b>	<b>Total</b>	<b>Fair Value</b>
<b>Assets</b>				
Cash and cash equivalents	2,144	-	2,144	2,144
PPE	-	7,728	7,728	7,728
Inventories	-	1,151	1,151	1,151
Right-of- Use Assets	-	870	870	870
Other assets	-	764	764	764
Trade and other receivables	316	-	316	316
<b>Total assets</b>	<b>2,460</b>	<b>10,513</b>	<b>12,973</b>	<b>12,973</b>



Liabilities	Amortised cost	Non-financial liabilities	Total	Fair Value
Loans and borrowings	4,907	-	4,907	4,907
Trade and other payables	1,968	-	1,968	1,968
Lease liabilities	-	293	293	293
Deferred tax	-	670	670	670
Income tax	-	509	509	509
Deposit for shares	-	-	-	-
	<b>6,875</b>	<b>1,472</b>	<b>8,347</b>	<b>8,347</b>

31 December 2022	Financial Assets	Non-financial assets	Total	Fair Value
<b>Assets</b>				
Cash and cash equivalents	1,869	-	1,869	1,869
PPE	-	10,792	10,792	10,792
Inventories	-	1,869	1,869	1,869
Right-of- Use Assets	-	923	923	923
Other assets	-	816	816	816
Trade and other receivables	621	-	621	620
<b>Total assets</b>	<b>2,489</b>	<b>14,400</b>	<b>16,889</b>	<b>16,889</b>

Liabilities	Amortised cost	Non-financial liabilities	Total	Fair Value
Loans and borrowings	7,028	-	7,028	7,028
Trade and other payables	2,084	-	2,084	2,084
Deferred tax	-	1,156	1,156	1,156
Income tax	-	672	672	672
	<b>9,112</b>	<b>1,828</b>	<b>10,940</b>	<b>10,940</b>

### 30. Financial Risk Management

#### (a) Overview

The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and operational risk. Risk management is carried out by management under policies approved by the board of directors. Management identifies and evaluates the financial risks in co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

Sundry Foods Limited (the Company) is exposed to the following risks as they arise in the normal course of its business:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about Sundry Foods Limited's exposure to each of the above risks, and it summarises the Company's policies and processes that are in place for measuring and

managing risk, including those related to capital management. Further quantitative disclosures are included throughout these financial statements.

**(b) Risk management framework**

The Board of Directors has overall responsibility and sets rules for the Company's risk management and control systems. They are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board oversees the adequacy and functioning of the entire system of risk management and internal control, assisted by various departments within the Company.

**(c) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. Management has assessed the risk exposure and is taking action to mitigate the higher than usual risks. Intensified and continuous focus is being given in the areas of customers (managing trade receivable and suppliers).

As at the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial instrument in the statement of financial position.

**(i) Trade and other receivable**

The Company's 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. Purchase limits are established for each customer and these limits are reviewed regularly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a cash basis.

**(ii) Impairment policies**

Impairment of receivables due from customers is established when there is objective evidence that the Company will not be able to collect all amounts due, and/or the Company determines that it is probable that it will be unable to collect all amounts due according to the contractual terms of the trade agreement(s). These amounts are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairments for amounts due from counter parties.

**(iii) Write-off policy**

The Company writes off receivable balance (and any related allowances for impairment losses) when the credit management committee determines that the amount due from counterparties are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the debtors' financial position such that the debtor can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

**(iv) Exposure to credit risk**

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

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Trade and other receivables	308	308	308	324	645
Cash and cash equivalent	293	293	293	2,144	1,869

601	601	601	2,468	2,513
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**(v) Concentration of credit risk**

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
<b>Trade and other receivables</b>					
Neither past due nor	100	114	122	187	315
Past due but not impaired	91	131	116	117	326
Impaired	-	-	6	20	3
	191	245	244	324	645

**(d) 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. Recent times have proven the credit markets situation could be such that it is difficult to generate capital to finance long-term growth of the Company. The Company has a clear focus on financing long-term growth and to re-finance maturing debt obligation. Financing strategies are under continuous evaluation.

The table below shows the undiscounted cash flows on the Company financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow/outflow disclosed in the table relates to the contractual, undiscounted cash flow on the financial assets and liabilities.

31 Dec 2018				
Liquidity Profile				
In millions of Nigerian Naira	Carrying Amounts	Contractual Cash Flow	Less than 1 year	➤ than one year
<i>Financial assets</i>				
Cash and cash equivalents	293	293	293	-
Trade and other receivables	308	308	308	-
	601	601	601	-
<i>Financial liabilities</i>				
Loans and borrowings	1,208	1,208	847	361
Trade and other payable	670	670	670	
	1,878	1,878	1,517	361
Gap (assets-liabilities)	(1,277)	(1,277)	(916)	(361)
Cumulative liquid gap			(916)	(1,277)

Gross nominal (undiscounted) maturities of financial assets and liabilities

31 Dec 2019				
Liquidity Profile				
In millions of Nigerian Naira	Carrying Amounts	Contractual Cash Flow	Less than 1 year	➤ than one year
<i>Financial assets</i>				
Cash and cash equivalents	300	300	300	-
Trade and other receivables	368	368	368	-
	668	668	668	-
<i>Financial liabilities</i>				
Loans and borrowings	1,653	1,653	813	840
Trade and other payable	1,040	1,040	1,040	
	2,693	2,693	1,853	840
Gap (assets-liabilities)	(2,025)	(2,025)	(1,186)	(840)
Cumulative liquid gap	-	-	(1,186)	(2,025)

31 Dec 2020				
Liquidity Profile				
In millions of Nigerian Naira	Carrying Amounts	Contractual Cash	Less than 1 year	➤ than one
<i>Financial assets</i>				
Cash and cash equivalents	865	865	865	
Trade and other receivables	256	256	256	
	1,121	1,121	1,121	
<i>Financial liabilities</i>				
Loans and borrowings	2,782	2,782	718	2,063
Trade and other payable	1,392	1,392	1,392	
	4,174	4,174	2,110	2,063
Gap (assets-liabilities)	(3,053)	(3,053)	(989)	(2,063)
Cumulative liquid gap	-	-	(989)	(3,053)

31 Dec 2021				
Liquidity Profile				
In millions of Nigerian Naira	Carrying Amounts	Contractual Cash Flow	Less than 1 year	➤ than one year
<i>Financial assets</i>				
Cash and cash equivalents	2,144	2,144	2,144	-
Trade and other receivables	316	316	316	-
	2,460	2,460	2,460	-
<i>Financial liabilities</i>				
Loans and borrowings	4,907	4,907	806	4,101
Trade and other payable	1,968	1,968	1,968	-
	6,875	6,875	2,774	4,101
Gap (assets-liabilities)	(4,415)	(4,415)	(314)	(4,101)
Cumulative liquid gap	-	-	(314)	(4,415)

**31 Dec 2022**  
**Liquidity Profile**

In millions of Nigerian Naira	Carrying Amounts	Contractual Cash Flow	Less than 1 year	➤ than one year
<i>Financial assets</i>				
Cash and cash equivalents	1,869	1,869	1,869	-
Trade and other receivables	660	660	660	-
	2,529	2,529	2,529	-
<i>Financial liabilities</i>				
Loans and borrowings	7,028	7,028	4,508	2,520
Trade and other payable	2,084	2,084	2,084	-
	9,112	9,112	6,592	2,520
Gap (assets-liabilities)	(6,583)	(6,583)	(4,063)	(2,520)
Cumulative liquid gap	-	-	(4,063)	(6,583)

**(d) Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for financial instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A one percent increase or decrease is used when reporting interest raterisk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates have been 1% higher/lower, and all other variables were held constant, the Company's profit for the year ended 31 December 2021 would decrease/increase by ₦5.4million (2020: ₦3.17 million). This is mainly attributable to the Company's exposure to interest rates on its variable rates borrowings.

The effective interest rates of interest-bearing financial liabilities as at 31 December and the years in which those liabilities mature or re-price were as follows:

In millions of Nigerian Naira	Weighted average effective	Within 1 year	Above 1 year less than 5 years	After 5 years	Total
<b><u>31 December 2018</u></b>					
Long term loan from financial institutions	23%	307	361	-	668
Short term loan from financial institutions	28%	500	-	-	
<b><u>31 December 2019</u></b>					
Short term loan from financial institutions	22%	259	-	-	259
Long term loan from financial institutions	21%	505	674	-	1,179
<b><u>31 December 2020</u></b>					
Long term loan from financial institutions	21%	184	1,994	-	2,177
Short term loan from financial institutions	22%	500	-	-	500
<b><u>31 December 2021</u></b>					
Short term loan from financial institutions	14%	500	-	-	500
Long term loan from financial institutions	18%	248	4,101	-	4,349
<b><u>31 December 2022</u></b>					
Short term loan from financial institutions	14%	2,906	-	-	2,906
Long term loan from financial institutions	14%	1,602	2,520	-	4,122

**(iv) Market risk**

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

**(v) Foreign currency risk**

This risk relates to the fact that the company may suffer financial losses owing to its transactions denominated in foreign currencies. Appropriate measures to mitigate this risk have been put in place by the company. These includes: obtaining relevant regulatory documents that enables us access foreign currencies at the official rates, purchasing necessary hedge products based on professional advice. Currently the company has no transaction in its portfolio from which the identified risk could arise.

**(vi) Interest rate risk**

Interest rate risk is the exposure of a Company's financial condition to adverse movements in interest rates which are likely to affect the Company's earnings and capital base. This includes any opportunity cost that might arise if the Company were to fix interest rates on its assets and/or liabilities in a falling or rising interest rate environment.

**(vii) Commodity price risk**

Commodity price risk is the risk that changes in commodity prices will affect the Company's income. The objective of commodity price risk management is to manage and control commodity risk exposures within acceptable parameters, whilst optimising the return on risk. The Company is exposed to the commodity price risk of general food stuff due to seasonal trends, inflation, exchange rate fluctuation and the availability of harvest produce. The Company does not hedge this risk and no commodity exchange exists within Nigeria. There are operational controls in place to monitor qualities and to ensure that sufficient quantities are produced and stored. In case of local crop failure resulting in shortages, import action are undertaken.

**(g) Capital management**

Capital includes equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December 2021 and 31 December 2020.

The company monitors capital using gearing ratio, which is "Net debt" divided by "Total capital". "Net debt" is calculated as borrowings plus trade and other payables and other non current liabilities less cash and cash equivalents. Total capital is calculated as equity plus net debt.

**31. The gearing ratio at year end is as follows:**

<b>In millions of Nigerian Naira</b>	<b>31-Dec-18</b>	<b>31-Dec-19</b>	<b>31-Dec-20</b>	<b>31-Dec-21</b>	<b>31-Dec-22</b>
Borrowings	1,208	1,653	2,782	4,907	7,028
Trade and other payables	670	1,040	1,392	1,968	2,644
Less: Cash and cash	(293)	(300)	(865)	(2,145)	(1,869)
Net debt	1,585	2,393	3,309	4,730	7,803
Total equity	2,413	2,950	3,238	4,627	6,005
Total capital	3,999	5,343	6,547	9,357	13,808
Gearing ratio	40%	45%	51%	51%	57%



## 32. Cash provided by operating activities

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Profit after tax	632	786	522	1,575	2,010
<b>Adjustments for:</b>					
Depreciation and amortisation of non-current assets	498	620	809	-	-
Depreciation of property, plant and Equipment	-	-	-	1,074	1,669
Depreciation of Right of Use Assets	-	-	-	130	169
Interest expense recognised in profit or loss	240	349	364	591	897
Leased Liability	-	-	-	69	12
Deferred Changes	-	-	-	(81)	14
Income tax expense recognised in profit or loss	226	371	214	509	672
Gain on disposal of property, plant and equipment	(2)	(4)	(2)	(6)	(4)
Operating cash flows before movements in working capital	1,594	2,122	1,907	3,861	5,431
<b>Changes in assets and liabilities</b>					
(Increase)/Decrease in inventories	(62)	(51)	(208)	(455)	(718)
(increase)/Decrease in trade and other receivables	(57)	(60)	111	(60)	(344)
(Increase)/Decrease in other assets	31	(30)	(861)	642	(53)
Increase/(Decrease) in Right of use Assets	(468)	37	(97)	-	-
Increase/(Decrease) in trade and other payables	201	370	267	576	676
Increase/(Decrease) in lease liability	-	-	130	-	-
Increase/(Decrease) in deferred tax liability	83	37	110	274	485
Increase/(Decrease) in deposit for shares	-	-	(16)	-	-

Cash generated from operations	1,322	2,425	1,343	-	-
Income taxes paid	(174)	(226)	(371)	-	-
<b>Cash provided by operating activities</b>	<b>1,148</b>	<b>2,199</b>	<b>972</b>	<b>4,838</b>	<b>5,478</b>

### 33. Related party relationship and transactions

#### 33.1 Trading transactions

During the year, the company entered into the following transactions with related parties:

Transfer Inwards					
In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Sundry Markets Limited	55	55	35	48	264

Transfer Outwards					
In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Sundry Markets Limited	10	102	278	348	749

The following balances were outstanding at the end of the reporting period

Amounts Owed By Related Parties					
In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Sundry Markets Limited	27	102	(11)	(8)	129

#### 33.2 Related party relationships

Sundry Markets Limited Common director

Capital Index Limited Common director

Total remuneration of related parties (directors and key management staff) recognized in the statement of profit or loss are disclosed in Note 34.

### 34. Key management compensation

Aggregate compensation for key management, being the directors and members of the executive management were as follows:

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Short-term employee benefits	139	183	183	196	256
Managers Remuneration		132	132	162	151
Post employee benefits	9	30	30	42	74
	148	345	345	400	482

#### 34.2 Chairman's and Directors' emoluments

In millions of Nigerian Naira	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22
Fees:					

Chairman	8	9	9	11	15
Highest paid Director	6	7	7	8	11
Other directors	14	20	27	34	39
As executive	13	13	13	15	16
	41	49	56	68	80

Remuneration to the directors of the company were made in cash only which includes director allowances and for related party transactions highlighted in 33.2. There were no other benefits to the directors other than what is detailed in the table in 34.2

### 34.3 Employees

#### 34.3.1 Employees remuneration

The numbers of employees in receipt of gross emoluments within the following ranges were:

	2018 Number	2019 Number	2020 Number	2021 Number	2022 Number
₦					
Below 2,000,000	1,351	1,664	1,664	2,009	3,162
2,000,001 - 4,000,000	20	22	22	50	70
4,000,001 - 6,000,000	5	8	8	4	9
Above 6,000,000	11	12	12	12	30
	1,387	1,706	1,706	2,075	3,271

#### 34.3.2 Staff

Average number of persons employed in the financial year and the related staff costs were as follows:

	2018 Number	2019 Number	2020 Number	2021 Number	2022 Number
Managerial	242	278	278	331	522
Junior staff	1,145	1,428	1,428	1,744	2,549
	1,387	1,706	1,706	2,075	3,071

In millions of Nigerian Naira	2018	2019	2020	2021	2022
<b>Staff costs relating to the above</b>					
Salaries, wages, and allowances	924	1,172	1,312	2,685	3,835
Contributions to pension scheme	51	68	96	198	209
	975	1,240	1,408	2,883	4,044

### 35. Capital commitments

Capital commitments of ₦1.49 Billion was made during the year in respect of company's ongoing projects (2021: ₦ 572 million). The value of the Company's asset under lien as at 31 December 2022 was NIL (2021: ₦768 million). These are assets acquired under term loan and asset finance facilities with banks.

### **36. Contingent liabilities**

The Company is involved in few legal proceedings that arise in the ordinary course of its businesses as at 31 December 2022. In our opinion and management assessment based on the various responses received from our external Solicitors handling our lawsuits, there are no significant claims likely to crystalize from legal cases against the Company.

## APPENDIX XVI: EXTRACT OF THE AUDITED STATEMENT OF AFFAIRS OF THE ISSUER

### Extract from Sundry Foods Funding SPV PLC's Statement of Affairs

<b>In thousands of Nigerian Naira</b>	<b>31-May-23</b>
Cash and cash equivalents	2,000
Pre-Incorporation Expense	150
	<b>2,150</b>
Liabilities	
Other Payables	150
<b>Total Liabilities</b>	<b>150</b>
Equity	
Ordinary Shares	2,000
<b>Total Equity</b>	<b>2,000</b>
Total Liabilities and Equity	<b>2,150</b>

### Notes to the Statement of Affairs

<b>In thousands of Nigerian Naira</b>	<b>31-May-23</b>
Cash and cash equivalents	2,000
Pre-Incorporation Expense	150
	<b>150</b>
Other Payables	150
<b>Total Liabilities</b>	<b>150</b>
<b>Share Capital</b>	
Issued Ordinary Shares	2,000
<b>2,000,000 Ordinary Shares of ₦1.00 each at 30 June 2021</b>	<b>2,000</b>
Issued and Fully Paid Ordinary Shares of ₦1.00 each at 30 June 2021	2,000

## OTHER DISCLOSURES

### INFORMATION RELATING TO THE ISSUER AND SPONSOR

The Issuer is a subsidiary of Sundry Foods Limited, with an authorized share capital of ₦2,000,000 divided into 2,000,000 ordinary shares of ₦1 each, issued and fully paid. 1,999,999 shares of the Issuer are held by Sundry Foods Limited and 1 ordinary share held by Mr. Ebele Enunwa. Information relating to the Issuer and Sponsor is contained in the section titled 'Description of Sundry Foods Funding SPV PLC' and 'Description of Sundry Foods Limited' from pages 73 to 82 of the Shelf Prospectus. Financial information on Sundry Foods Limited are contained in the consolidated audited financial statements and management accounts of the Sponsor. Both the Shelf Prospectus and financial statements are incorporated by reference to this Pricing Supplement.

### CAPITAL STRUCTURE:

The capital structure of the Issuer as at 31 May 2023 is as follows:

		₦'000
A)	Cash and cash equivalent	2,000
B)	Short term debt	-
C)	Long term debt	-
D)	Total shareholders' equity	2,000

The capital structure of the Sponsor as at 31 December 2022 is as follows:

		₦'000
A)	Cash and cash equivalent	1,868,643
B)	Short term debt	4,507,745
C)	Long term debt	304,457
D)	Total shareholders' equity	6,004,523

### AUDIT COMMITTEE MEMBERS

- 1) Nigel Bannerman
- 2) Blessing Odita
- 3) Christian Ejekam
- 4) Adewale Osubukola

### CORPORATE DIRECTORY

*Contact address of Issuer and Co-Obligor:*

23 Nzimiro Street  
Old GRA  
Port-Harcourt  
Rivers State  
Telephone: +234 803 754 3131  
Email: [info@sundryfood.com](mailto:info@sundryfood.com)  
Website: <https://www.sundryfood.com>

*Contact address of Registrar:*

**Crescent Registrars Limited**  
23 Olusoji Idowu Street  
Ilupeju  
Lagos  
Telephone: 01-453 8671-4  
Email: [info@crescentregistrars.com](mailto:info@crescentregistrars.com)  
Website: <https://www.crescentregistrars.com/>

### SUBSIDIARIES AND ASSOCIATED COMPANY

The Sponsor does not have any interests and investments in subsidiaries as at 31 December 2022.

## **MATERIAL CONTRACT**

The following agreements have been entered into and are considered material to the Series 2 Bonds:

- b. A Series 2 vending agreement dated October 23, 2023 among Sundry Funding SPV PLC, Sundry Foods Limited, CardinalStone Partners Limited, FCMB Capital Markets Limited and Stanbic IBTC Capital Limited
- c. A Series 2 trust deed dated October 23, 2023 among Sundry Foods Funding SPV PLC, Sundry Foods Limited, ARM Trustees Limited, CardinalStone Trustees Limited, and United Capital Trustees Limited
- d. A Programme Trust Deed dated December 15, 2021 among Sundry Foods Funding SPV Plc, Sundry Foods Limited and ARM Trustees Limited, CardinalStone Trustees Limited and United Capital Trustees Limited in connection with the Programme. The extracts of the Programme Trust Deed are set out on pages 91 to 94 of the Shelf Prospectus;
- e. A Master Notes Issuance Agreement dated December 15, 2021 among Sundry Foods Limited, Sundry Foods Funding SPV Plc and ARM Trustees Limited, CardinalStone Trustees Limited and United Capital Trustees Limited; and
- f. Deed of Undertaking dated December 15, 2021 by Sundry Foods Limited

## **7. Declaration**

No Director, key management personnel and key technical personnel has been involved in any of the following (in or outside Nigeria):

- a. A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was director or key personnel;
- b. A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty; or
- c. The subject of any order, judgment or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity

## **MERGERS AND TAKEOVERS**

As at the date of this Pricing Supplement, the Directors are not aware of the following during the preceding financial year or current financial year:

- a) a merger or takeover offer by third parties in respect of the Issuer and Co-Obligor's securities; and
- b) a merger or takeover by the Issuer and Co-Obligor in respect of another company's securities

## **CORPORATE GOVERNANCE**

Sundry Foods remains committed to institutionalizing corporate governance principles as part of the Sponsor's corporate structure. It continues to ensure the regulation of the relationship between the investors and all shareholders.

As in the past, the Board continues to operate in line with its responsibilities as contained in Regulatory Codes of Corporate Governance, the Sponsor's Articles of Association and CAMA. Its oversight of the operations and activities of Sundry Foods are carried out transparently without undue influence.

Essentially, fair value corporate governance depends on the quality and integrity of our directors. Consequently, Sundry Foods has undertaken to create the institutional framework conducive for defending the integrity of our directors and is convinced that on account of this, the Board of the Sponsor is functioning in a highly effective manner.

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**DOCUMENTS AVAILABLE FOR INSPECTION**

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Copies of documents stated as available for inspection on page 108 of the Shelf Prospectus as well as copies of the following documents can be inspected at the offices of the Co-Obligor at 23 Nzimiro Street, Old GRA, Port Harcourt, Rivers State, and the Issuing Houses, between 8:00 am and 5:00 pm on Business Days, during the validity period of the Programme and the Issue:

- i. The Global Credit Rating Company Limited and Augusto & Co. issue rating report;
- ii. A copy of the resolution of the Board of Directors of the Issuer, dated 18<sup>th</sup> day of April 2023, authorising the Issuance;
- iii. A copy of the resolution of the Board of Directors of the Co-Obligor, dated 18<sup>th</sup> day of April 2023, authorising the Issuance;
- iv. This Series 2 Bond Pricing Supplement;
- v. The Series 2 Bond Trust Deed;
- vi. The Master Notes Issuance Agreement;
- vii. The Shelf Prospectus;
- viii. The Programme Trust Deed;
- ix. Audited financial statements of the Co-Obligor for the year ended 31 December 2022;
- x. Audited statement of affairs for the Issuer for the period ended 31 December 2022;
- xi. Letter from the Securities & Exchange Commission approving the establishment of the Programme; and
- xii. The schedule of claims and litigations and the opinion of the Solicitors to the Issue prepared in connection therewith



## FORM OF COMMITMENT

FOR ELIGIBLE INVESTORS ONLY



RC: 1786447

**Sundry Foods Funding SPV PLC**

**₦5,500,000,000, 16.00% FIXED RATE BOND SERIES II (2028)**

Under the SUNDRY FOODS FUNDING SPV PLC ₦20,000,000,000 Debt Issuance Programme

**LEAD ISSUING HOUSE**



RC 739441

**JOINT ISSUING HOUSE**



RC 446561



RC 1031358

BOOK BUILD PERIOD	
OPENS	CLOSES
TUESDAY, SEPTEMBER 26, 2023	WEDNESDAY, OCTOBER 11, 2023

**OFFERING BY WAY OF BOOK BUILD**

Orders must be made in accordance with the instructions set out in this Shelf Prospectus. Investors must carefully follow all instructions as applications which do not comply with the instruction may be rejected. If in any doubt, consult your Stockbroker, Accountant, Banker, Solicitor or any professional adviser for guidance

**All Sections of this Form must be completed (as applicable)**

**PLEASE USE BLOCK LETTERS**

QUALIFIED INVESTOR (PLEASE TICK ✓)	DATE (DD/MM/YYYY)	CONTROL No. (FOR REGISTRARS' USE ONLY)
High Net worth Investors	/ / 2 0 2 3	
Banks		
Fund Managers		
Pension Fund Administrators		
Insurance Companies		
Investment/Unit Trusts		
Market Makers		
Staff Schemes		
Trustees/Custodians		
Stockbroking Firms		
Multilateral and Bilateral Institutions		
Private Equity (PE) funds		
Hedge Funds		

**DECLARATION**

☒ I/We hereby confirm that I am/we are eligible persons to participate in this Bond Issue in accordance with applicable SEC Rules and Regulations.

☒ I/we hereby irrevocably undertake and confirm my/our Order(s) for the Bonds equivalent to my/our Participation Amount(s) set out below at the Coupon Rate to be discovered through the Book Building

☒ I/We authorise you to enter my/our name on the Register of Holders as holders of the Bonds that may be allotted to me/us and to register my/our address as given below.

☒ I/We note that the Issuer and the Issuing Houses are entitled in their absolute discretion to accept or reject this Order.

☒ I/We agree to accept the Participation Amount as may be allocated to me/us subject to the terms of this Red Herring Prospectus.

**PARTICIPATION DETAILS (The Participation Amount(s) and the Bid Coupon Rate(s) being offered must be indicated in the boxes below).**

Participants have the option to make a maximum of three orders on the Commitment Form. Each option shall be regarded as a separate application and will not be considered as multiple applications. All orders must be for a minimum amount of ₦10,000,000 and multiples of ₦1,000,000

### ORDER 1

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦1 MILLION THEREAFTER)															BID COUPON RATE
IN FIGURES	₦														
IN WORDS															

### ORDER 2

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦1 MILLION THEREAFTER)															BID COUPON RATE
IN FIGURES	₦														
IN WORDS															

### ORDER 3

PARTICIPATION AMOUNT (MINIMUM AMOUNT OF ₦10 MILLION AND IN MULTIPLES OF ₦1 MILLION THEREAFTER)															BID COUPON RATE
IN FIGURES	₦														
IN WORDS															

CRESCENT REGISTRARS LTD

PLEASE TURN OVER TO COMPLETE THIS FORM

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### E-ALLOTMENT DETAILS (FOR CSCS ALLOTMENTS ONLY)

[illegible][illegible]

**PARTICIPANT'S BPID No:**

[illegible]

**CLIENT BPID No:**

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[illegible]

<b>SIGNATURE</b>	<b>2ND SIGNATURE (CORPORATE/JOINT)</b>	<b>SEAL &amp; RC. NO.</b>
<b>NAME OF AUTHORISED SIGNATORY (Corporates only):</b>	<b>NAME OF AUTHORISED SIGNATORY (Corporates/Joint):</b>	
<b>DESIGNATION (Corporate only):</b>	<b>DESIGNATION (Corporate only):</b>	

(ISSUER/ISSUING HOUSES/STOCKBROKERS TO THE ISSUE/ PLACEMENT AGENTS ONLY)