

BRISCOE

R.T. BRISCOE (NIGERIA) PLC
RC 1482

Annual Report
and Financial Statements
2023



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Driving Excellence**

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RESULTS AT A GLANCE

For the year ended 31 December 2023

	2023 N'000	2022 N'000	% Change
Turnover	14,592,325	17,883,014	-18%
Operating Profit before Interest & Tax	378,788	1,084,552	-65%
Net Finance costs	(1,332,548)	(838,672)	-59%
(Loss)/Profit before taxation	(953,760)	245,880	-488%
Taxation	(289,030)	(122,526)	-136%
(Loss)/Profit after taxation	(1,242,790)	123,354	-1107%
Other comprehensive loss net of tax	(9,483)	(11,880)	+20%
Total comprehensive (loss)/income for the year after tax	(1,252,273)	111,474	-1223%
Share Capital	588,177	588,177	0%
Total Equity	(9,247,823)	(7,995,550)	-16%
Per 50k Share Data:			
Based on 1,176,352,056 (2022 -1,176,352,056)			
Ordinary shares of 50k each:			
Basic (Loss)/Profit Per Share (Naira)	(1.06)	0.10	
Diluted (Loss)/Profit Per Share (Naira)	(1.06)	0.10	
Net Liabilities (Naira)	(7.86)	(6.80)	
Dividend declared	-	-	
Dividend cover (times)	-	-	
Stock Exchange quotation at year end (kobo)	61	26	
Number of employees (group)	208	212	

CORPORATE INFORMATION

Board of Directors:	<ul style="list-style-type: none">• Sir Sunday Nnamdi Nwosu, KSS, GCOA, FIOD, JP• Mr. Bukola Oluseyi Onajide• Ms. Adeola Adenike Ade-Ojo• Mr. Akin Ajayi• Alhaji Ali Safiyanu Madugu, mni• Mrs. Folasade Oluwatoyin Ogunde• Mrs. Aderemi Oluwatosin Akinsete-Chidi• Dr. Olorunfemi Abidemi Eguaihide• Mr. Jubril Adetokunbo Shittu, FCA	<ul style="list-style-type: none">- Chairman- Group Managing Director- [Alternate Director to Ms. A. A. Ade-Ojo]- Executive Director, Operations- Group Finance Director [Appointed March 27, 2024]
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Registered Office: 18, Fatai Atere Way
Matori, Oshodi
Lagos.

Registration No.: RC. 1482

Company Secretary: Mr. Michael Ibukun Olabode

Independent Auditor: Crowe Dafinone
15, Elsie Femi Pearse Street, Off Kofo Abayomi Street
Victoria Island, Lagos.

Registrar: Meristem Registrars and Probate Services Limited
213, Herbert Macaulay Way, Adekunle, Yaba
P. O. Box 51585, Falomo
Ikoyi, Lagos.

Company's Bankers: Access Bank Nigeria PLC.
Ecobank Nigeria PLC.
Fidelity Bank PLC.
First Bank of Nigeria PLC.
First City Monument Bank PLC.
Guaranty Trust Bank PLC.
Keystone Bank Limited
Polaris Bank PLC.
Stanbic - IBTC Bank PLC.
Sterling Bank PLC.
Union Bank of Nigeria PLC.
United Bank For Africa PLC.
Unity Bank PLC.
Wema Bank PLC.
Zenith Bank PLC.

BACKGROUND

R.T. Briscoe (Nigeria) PLC ("the Company") was incorporated in Nigeria on 9th March, 1957, as a private limited liability company and became a wholly owned subsidiary of the East Asiatic Company Ltd A/S ("EAC") of Copenhagen-Denmark in 1961. Briscoe became a public company in 1973 and the shares were listed for quotation on the Nigerian Stock Exchange in 1974. In August 2002, EAC divested its shareholding in Briscoe to Nigerian investors.

Briscoe started its business activities in Nigeria with the importation of building materials and some English trucks under an agency arrangement brokered by its parent company. Since 1957, when Briscoe was incorporated, the company has witnessed tremendous growth and has diversified its area of operations to include the sales and service of motor vehicles and technical equipment.

Briscoe has since 1957 under the trade name "Briscoe Motors" been a dealer of Toyota vehicles in Nigeria. Between 1970 and August 1992, Briscoe served as the exclusive dealer for Volvo vehicles in Nigeria with sales and service outlets in various parts of the country until the Agreement was mutually terminated by both parties. Between 2005 and June, 2016, Briscoe was also an authorized dealer of Ford Motor Company products until the mutual termination of the dealership agreement by both parties. The marketing, sales and servicing of Ford vehicles was conducted under the trade name – BriscoeFord.

Briscoe has its head office at Matori, Lagos and branch offices at Victoria Island, Lekki, Kano, Asaba, Port Harcourt and Abuja.

BUSINESS ACTIVITIES

Presently, Briscoe is engaged in the marketing, sales and servicing of Toyota motor vehicles under the trade name Briscoe Motors as one of the 7 authorised dealers of Toyota Nigeria Limited. It is also engaged in the real estate sector and deals in industrial equipment.

Business Units

The **Briscoe Motors** Division deals in the sales and servicing of Toyota motor vehicles. Briscoe Toyota Workshops are equipped with the state-of-the-art electronic and computerized equipment to ensure that the company offers the highest possible quality after-sales service. Our workshops are among the best in the country through regular facilities improvement activities. Briscoe Toyota was the first Toyota dealer to receive the highly coveted Toyota award for Service, Marketing Excellence (TSL) from Toyota Motor Corporation (TMC) Japan.

The **Briscoe Industrial Equipment** Division of the Company handles the sales and services of industrial, mining, construction and warehouse equipment. The division markets and services Manitou, Logitrans, Socma and Combilift brands of Forklifts and other material handling equipment. The Briscoe Elgi brand of industrial air compressors are currently being marketed through Briscoe-Technical Products and Service Limited, a fully owned subsidiary of the company.

Briscoe Properties Limited, a fully owned subsidiary is involved in facilities management, property development and estate management services. Briscoe Properties Limited has developed a number of residential properties in Nigeria and presently manages a large portfolio of commercial and residential properties in Ikoyi, Victoria Island, Apapa, Ikeja, Yaba, Abuja, Lekki etc. The property development project commenced by Briscoe Properties Limited in 2022 at Ilaje area of Lekki, Lagos has reached the roofing stage. It also provides project management and property marketing services to its vast clientele.



Sir Sunday N. Nwosu, Kss, GCOA, FloD, JP
Chairman

Sir Sunday Nnamdi Nwosu, Kss, GCOA, FloD, JP is the Chairman of the Company. A well-known Apostle of good corporate governance, he is the Founder and erstwhile National Coordinator of the Independent Shareholders Association of Nigeria. He is a member of the SEC Capital Market Development Company. He has attended several courses in Finance and Corporate Governance both locally and internationally. Sir Nwosu is an astute investor in a sizeable number of quoted companies on the Nigerian Exchange and serves on the Board or Audit Committee of some of them. He is a Director of Nigerian Aviation Handling Company PLC, MRS Oil Nigeria PLC and Kajola Integrated Investment PLC. He is also a member of the statutory Audit Committees of Julius Berger PLC, First Trust Mortgage Bank PLC, Friesland Campina WAMCO Nigeria PLC and Seplat Energy PLC. Sir Nwosu was appointed to the Board of R.T. Briscoe on March 27, 2014 and as acting Chairman on April 27, 2017. Prior to his appointment as the acting Chairman, he had served as Chairman of the Board's Finance & Risks Management Committee and as a member of the Governance and Business Strategy Committees of the Company. He became the substantive Chairman of the Company in August 2021 and was also conferred the Fellowship Award at the Institute of Directors in October 2021. He was born on February 11, 1953.



Mr. Bukola Oluseyi Onajide
Group Managing Director/CEO

Mr. Oluseyi Onajide is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and qualified as a Chartered Accountant in 1989. He started his professional career as an intern with Deloitte Haskins & Sells, an international firm of Chartered Accountants. Subsequently he obtained his master's degree in Business Administration from the University of Lagos (1998). He has attended several management courses locally and internationally including the prestigious Lagos Business School and famous INSEAD, France. Prior to his joining Briscoe in 1998, he worked with SCOA Nigeria Plc (1990-1996) where he became the AGM Finance and then, as a Management Consultant to Alchem Industries Limited (1996-1997) and Management Development Associates (1998). He was employed by R.T. Briscoe on the 1st of July 1998, appointed as Finance Director in December 2004 and Executive Director in charge of the entire motor business in January 2006. In April 2008, he was appointed as the Deputy Managing Director, Managing Director - Designate in July 2009. He became GMD/CEO of R.T. Briscoe Plc in January 2010. Mr. Seyi Onajide was also re-appointed for the 7th time as President of the Association of Automobile, Boatyard, Transport Equipment and Allied Employers of Nigeria (AABTEAEN). He was born on November 3, 1962.



Dr. Olorunfemi Abidemi Eguaihide

Executive Director, Operations

Dr. Olorunfemi Abidemi Eguaihide is the Executive Director responsible for business operations. He holds a Post-graduate Diploma in Business Administration and an MBA in Marketing Management from the Enugu State University of Science and Technology. He is an Alumnus of the prestigious Lagos Business School of the Pan Atlantic University having attended the Advanced Management Program (AMP) in 2016. He is a full member of the Chartered Institute of Personnel Management of Nigeria (MCIPM), Associate Member of the Nigerian Institute for Training and Development (AITD), Fellow of the Institute of Credit Administration (FICA) and a Fellow of the Institute of Corporate Administration of Nigeria. His core experience is in the areas of Operations Management, Sales and Marketing Management, Human Resources and Business Leadership.

Dr. Eguaihide previously worked with Genesis Group variously as DGM Human Resources and IT, General Manager HR & IT, General Manager Operations and Chief Operations Officer at The Bridge Healthcare Company in 2010. He joined the Company as Group Head, Human Capital Development in 2012 and was appointed to manage the Briscoe-Ford unit in 2014 as General Manager. He was subsequently appointed as Head of the Briscoe-Motors unit in 2017 and Group Chief Operating Officer in September 2018. He obtained his Doctorate degree in Marketing Management from LIGS University, Hawaii, USA in December 2021. Dr. Eguaihide was appointed a Director of the Company with effect from September 1, 2019. He was born on March 28, 1968.



Mr. Akin Ajayi

Mr. Akin Ajayi graduated from the University of Ife (now Obafemi Awolowo University), Ile-Ife in 1984 with a Bachelor of Science (B.Sc) degree in Economics. He is a Fellow of the Institute of Chartered Accountants of Nigeria and a seasoned banker with a wealth of over 20 years experience. He has also attended several short term courses at prestigious business schools which include the International Management Development Institute (IMD), Switzerland in 1993, Lagos Business School (LBS) in 1995, The Cranfield University, UK in 2001, The Gordon Institute of Business Science (GIBBS), University of Pretoria, South Africa in 2004 and Columbia University, USA in 2006. Mr. Ajayi worked as an Officer in the Controls/Audit department of First City Merchant Bank Limited from 1988 to 1990. He was the Managing Director of Equity Bank Ltd from 2003 to 2005 before its merger with Intercontinental Bank Plc in 2005 where he served as Executive Director from 2005 till his retirement from the Bank in 2008. He is currently the Chairman/Chief Executive Officer of Libra Energy Services Ltd and also serves on the boards of other private and public Companies including a Non-Government Organisation. Mr. Ajayi was appointed a director of the Company in July 2009. He is the Chairman of the Company's Audit Committee as well as the Board's Business Strategy Committee, and member of the Finance and Risks Management Committee. He was conferred the Fellowship Award at the Institute of Directors in October 2021. He was born on March 4, 1962.



Ms. Adeola Adenike Ade-ojo

Adeola Adenike Ade-Ojo is an internationally renowned fashion designer and winner of several local and international awards. She is a graduate of the University of Miami where she graduated with a Bachelor of Business degree in 1987. She obtained a Masters of Science (M.Sc) degree in Finance from the University of Lagos in 1989. Ms. Ade-Ojo has served as Nigerian Representative in an international campaign by the United Nation World Food Program to raise money towards halving the number of hungry people in the world particularly children. She was appointed a non-executive Director in December, 2004. She is a member of the Board's Finance and Risks Management Committee as well as the Governance Committee. Ms. Ade-Ojo was born on August 21, 1966.



Alhaji Ali Safiyanu Madugu, mni

Alhaji Safiyanu Madugu, mni an industrialist is the Managing Director/Chief Executive Officer of Dala Foods Nigeria Limited, a food processing company. He holds post graduate diplomas in Management as well as a Masters degree in Business Administration. He is a member of several professional bodies which include the "Institute of Directors Nigeria, Chartered Institute of Marketing, UK, Nigerian Institute of Management and the prestigious National Institute for Policy and Strategic Studies. He was appointed a Director of the Company in December 2013. He is a member of the Board's Governance and Business Strategy Committees. He is also a member of the Company's Statutory Audit Committee. Alhaji Madugu was born on November 10, 1966.



Mrs. Folasade Oluwatoyin Ogunde

Mrs. Folasade Oluwatoyin Ogunde is a non-executive and independent Director of the Company. She holds a Bachelors degree in Economics from the University of Ife, Ile-Ife and a Masters degree in International Development from the University of Birmingham. She is a Fellow of the Institute of Chartered Accountants of Nigeria and a facility management professional (FMP). Mrs. Ogunde has attended several management programmes at home and abroad including the General Management Program of Ashridge Business School, UK, the Advanced Management Program of Cranfield University, UK, the Real Estate Management Program of Harvard Business School and a Board Effectiveness, Strategy & Corporate Governance Program facilitated by the International Institute for Management Development (IMD), Switzerland. In her working career spanning over 30 years, Mrs. Ogunde has served in several management and board positions including External Auditor, Consultant Internal Auditor, Management Accountant, Divisional Commercial Director, Group Treasurer and Finance Director. Following her retirement as Finance Director of UACN Property Development Company (UPDC) Plc. in 2016, her daytime job has been as Managing Partner of Innodel Consulting Limited, a financial and real estate management consulting firm. She also serves as a non-executive Director and Chair of the Audit & Risk Committees of two other corporate boards – the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), India and FSDH Asset Management Limited. She is the Chairperson of the Finance & Risks Management Committee and also a member of the Business Strategy Committee as well as the Governance Committee. Mrs. Ogunde was appointed a Director of R.T. Briscoe on April 10, 2017. She is a member of the Institute of Directors. She was born on November 16, 1962.



Mrs. Aderemi O. Akinsete-Chidi

Mrs. Aderemi Akinsete-Chidi is the alternate Director to Ms. Adeola Adenike Ade-Ojo. She is a professional Banker and Chartered Pension Administrator with over 25 years' experience in the Banking and Sales & Service industry. She has extensive experience in strategic planning, operations/customer service and relationship management. She graduated with a B.Sc. Accounting degree from the Oklahoma City University, Oklahoma City, USA in 1989 and did her post graduate studies at the Graduate School of Management of the University of Maryland in 1991. She is a member of the American Institute of Banking, Washington DC, USA and an Associate member of the Certified Pension Institute of Nigeria. She has attended several training courses locally and abroad. Mrs. Akinsete-Chidi started her banking career with the First American Bank, USA in 1989 and she has since then served in various management positions in some Nigerian Banks - Standard Chartered Bank PLC, the now defunct FSB International Bank PLC, its successor Fidelity Bank Plc, First Bank of Nigeria PLC and Ecobank Nigeria Ltd. She currently serves on the Boards of Levmore Nigeria Limited and Nub Petrochemical Ltd. She was appointed an Alternate Director in R.T. Briscoe with effect from April 10, 2017 and was also appointed the Chairperson of the Governance Committee on December 17, 2020. She is a member of the Institute of Directors. Mrs. Akinsete-Chidi was born on May 23, 1968.



Mr. Jubril Adetokunbo Shittu, FCA
Group Finance Director

Mr. Jubril Adetokunbo Shittu is a fellow of the Institute of Chartered Accountants of Nigeria and holds a Bachelor degree in Applied Accounting from the Oxford Brookes University, United Kingdom and an MBA in Marketing from the University of Lagos. He has also attended various leadership and management training programmes within and outside the country.

Mr. Shittu has over 26 years' professional working experience garnered from serving in various finance and accounting positions. He began his career in 1998 as an Accountant with Premier Paints Plc and subsequently served as an Accounts Manager in Petrolog Limited, an oil servicing company. He joined the UAC of Nigeria Plc (UACN) group in March 2005 where he held various management positions including Management Accountant and Finance Controller-Transport & Distribution at MDS Logistics Division, Group coordinator, IFRS Conversion Project and Financial Controller at Portland Paints and Products Nigeria Plc (a subsidiary of UACN).

Mr. Shittu joined R.T. Briscoe (Nigeria) PLC in January 2016 as the Head, Management Accounts & Control and was promoted in January 2018 as Assistant General Manager, Finance/Deputy CFO. He was appointed as substantive Chief Financial Officer of the Company with effect from September 1, 2019, a position he held until his recent appointment as Group Finance Director. Mr. Shittu was born on October 10, 1972.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING OF R.T. BRISCOE (NIGERIA) PLC (IN RECEIVERSHIP) will be held at 18, FATAI ATERE WAY, MATORI, LAGOS STATE on Wednesday, July 24, 2024 at 11.00 A.M. for the transaction of the following business:

ORDINARY BUSINESS

1. To lay before the meeting, the financial statements for the year ended 31st December, 2023 and the Reports of the Directors, Auditors and Audit Committee thereon.
2. To re-elect Directors.
3. To ratify the appointment of Mr. Jubril Adetokunbo Shittu as a Director of the Company.
4. To authorize the Directors to fix the remuneration of the Auditors.
5. To elect members of the Audit Committee.
6. To disclose the compensation of the Managers of the company.

SPECIAL BUSINESS

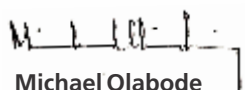
7. To fix the remuneration of the Directors.
8. To authorize the company to procure goods and services necessary for its operations from related companies.
9. To show case the R.T Briscoe Savings and Investment Fund to Shareholders.

Voting by Interested Persons

In line with the provisions of Rule 20.8 (c) (8) of the Rules Governing Related Party Transaction of Nigerian Exchange Limited, interested persons have undertaken to abstain, and ensure that their proxies, representatives, or associates shall abstain from voting on resolution 8 above.

Lagos, Nigeria.
March 27, 2024

By Order of the Board



Michael Olabode
[FRC/2022/PRO/NBA/002/23356]

Financial Statements

The Audited Financial Statements of the Company for the year ended 31st December 2023 and list of unclaimed dividends are available on our website at www.rtbriscoe.com as well as on the website of our Registrars at www.meristemregistrars.com. Hard copies would be provided on request.

Proxies

A member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. To be valid for the meeting, executed proxy forms should be deposited at either the registered office of the Company at 18, Fatai Atere way, Matori, Lagos or the office of the Registrars at 213, Herbert Macaulay Way, Adekunle, Lagos, not less than 48 hours before the time of holding the meeting. The Company has made arrangements at its own cost for stamp duties to be paid on the proxy forms.

Audit Committee

Any shareholder may nominate another shareholder through his/her proxy as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the date of the Annual General Meeting. This should be forwarded to briscoemail@rtbriscoe.com.

Closure of Register

The Register of members will be closed from Wednesday, June 19, 2024 to Tuesday, June 25, 2024 both dates inclusive.

Right of Shareholders to ask Questions

Shareholders have a right to ask questions not only at the meeting but also in writing prior to the meeting. Such questions must be submitted to the Company or the Registrars on or before the 28th of June, 2024 at briscoemail@rtbriscoe.com or meristemregistrars.com.

CORPORATE GOVERNANCE REPORT

For financial year ended 31 December 2023

The Board of Directors of RT Briscoe is committed to the effective and efficient governance system which lends credence to organizational growth and sustainability. The Company has a structure, people and resources to manage its governance system and to drive value for all stakeholders.

Corporate Governance Framework was designed to cover value propositions of all stakeholders and consideration for potential business partners. The charter of various Boards' Committees and the Governance framework have significant consideration for compliance with regulatory standards, global best practices and corporate culture. It demonstrates the commitment of the leadership of RT Briscoe to fairness and accountability in all its dealings. The governance structure is built on transparency, integrity, professionalism, commitment to values and high-level responsibility. The requirements for business operations and strategic realization of corporate goals are important in driving the effectiveness of governance system.

RT Briscoe has a business structure that accommodates strategies that enable every business component to achieve its goals and operate effectively. The integration of business focus is a major thrust in ensuring that strategic directions are defined through effective oversight, regulatory compliance, resource optimization and stakeholder engagements.

1.0 Business Evaluation and Oversight

R.T. Briscoe has consistently and continuously engaged various stakeholders and ensures that strategic directions are defined for its business. There is an effective monitoring of the performance of the organization; and this is evident from the discussion of strategic and operational engagements. The Board, on regular basis, obtains reports from Heads of various strategic Business Units and such reports are for information, decision making and formulation of strategies and policies. The level of engagement also affords the Board to gain deeper insight into transaction dynamics, risk exposures and compliance level of the organization.

The Board hold meetings regularly and strategy sessions to review its short and long-term goals. It also enables the system to understand the business realities and current challenges. The Management provides the Board with quarterly reports and at such time that may be required to take business decisions. The reports are usually focused on financial performance, strategic and operational issues. This extends to assessment of operating environment, sectorial analysis, macro and micro-economic components that impact directly on the business. The oversight function of the Board is continuously being reiterated at all instances and meetings of stakeholders.

Key business issues which include business growth, finance, personnel, and processes are considered to ensure optimum performance. The Corporate Governance assessment was contracted to experienced Consultant who understand the nature of R.T Briscoe's business and also has the capacity to deploy resources for the assessment. The approach to the assessment and the reliability of the report is indicative of acceptable standards established by the Consultant. The Consultant was approved by the Board and a rigorous process was followed to arrive at its conclusions and representations. The report of the Consultant has been presented to the Board and it was on authority to affirm that each Board member performed his/her duties as required and expected of them. There was high level of professionalism, transparency, and strong oversight over the business functions.

2.0 Board Quality and Composition

The Board of Directors of R.T Briscoe consist of seven (7) members and one (1) alternate Director who are competent, mentally, and physically fit, honest, capable, trustworthy and professional. The composition is in consonance with regulatory standards and global best practices. The Board of Directors of R.T Briscoe carefully selects its Board Committees, and the exercise is considered fair and very rigorous. The selection of Board members takes cognizance of industry experience, local and international exposures, skills, business experience, background and diversity. The selection of both Executive and Non-Executives takes cognizance of these components while considering the deliverables.

CORPORATE GOVERNANCE REPORT

For financial year ended 31 December 2023

All members of the Board are subject to enhanced due diligence and fit-for-service assessment prior to engagement. The orientation of Board members is professionally handled and settling-in was easy and commendable. There was no resignation nor retirement of any Board member as at year ended 31 December 2023. The Board had continuous skills and competences improvements through various trainings and engagements.

There were 5 males and 3 females represented on the Board of Directors of R.T Briscoe as at 31 December 2023.

3.0 Board Effectiveness & Performance

The Board of RT Briscoe has been effective in its performance and strong in its oversight. The application of personal attributes and experience have significantly played out in decision making, standards of operations, designing strategies, promoting corporate culture and sustainability. The continuous engagement of the Board with regulators and various stakeholders has made the Company achieve its goals.

The Board goes on annual retreat to adopt different strategies for the upcoming financial year. The strategies are debated keenly between the Executive Management and the Board. The Board monitors the quarterly implementation of the proposed strategies and to ascertain if it has achieved the set target or there is a need to tweak the strategy in line with current economic realities.

3.1 Board Training & Development

Members of the Board and Management have periodic trainings targeted towards understanding emerging skills and competences in Governance and direction of the affairs of the company. The Board approved three training sessions for its members in 2024.

The Induction program of new board members is considered as part of the training activities that RT Briscoe designs. The various Heads of Strategic Business Units also attended trainings (both locally and foreign) in 2023.

The Management Team also participated in the Enterprise Risk Management trainings and Business Process Management trainings. The continuous learning for the Management team is an indication of the organization's focus on enhancing overall organizational performance. The same culture of learning cuts across all the fibre and system of RT Briscoe. The commitment to learning has been tremendous.

4.0 Shareholders and Regulatory Engagements

R.T Briscoe stakeholder's engagement is effective and driven by its leaders to ensure transparent and fair interactions. The Board of R.T Briscoe recognizes the importance and relevance of ensuring flow of information to its stakeholders in a complete, sufficient, adequate and timely manner. The Company is committed to high level of disclosures and also exercise caution in its public engagement.

The engagement of shareholders, regulators and other entities is based on information management policy and culture. Information about the company is publicly made available through its investors' relation desk and its website (www.rtbriscoe.com). The company also maintains an open communication line (+2348093936657). The investors' relation portal on the website offers information about the company and access to other reports which may be valuable to the public.

The Company's email address (briscoemail@rtbriscoe.com) is also opened to the public to receive information.

CORPORATE GOVERNANCE REPORT

For financial year ended 31 December 2023

R.T Briscoe's quarterly results is made available to the Nigerian Exchange Group, which in turn is made available to the public. The Company maintains highest level of transparency in financial and non-financial dealings.

The subsidiaries also maintain emails and telephone contacts on its websites. The contacts are:

1. Briscoe Motors	081745590106	motors@rtbriscoe.com
2. Briscoe Materials Handling	08174591881	briscoemail@rtbriscoe.com
3. Briscoe ELGI	08174592302	elgisales@rtbriscoe.com
4. Briscoe Properties Limited	08174599334	briscoemail@rtbriscoe.com

The information about locations and the business are also displayed on the Company's website.

Shareholders convene meetings in an open manner and in line with regulatory standards. The meetings enable attendants to discuss important issues relating to the business and growth of the Company. Annual General Meetings are held as required by extant law and the Nigerian Exchange Group rules. Adequate notice of meeting is communicated to various shareholders.

Where R.T Briscoe deems important, it invites shareholders with up to 5% shareholding for an Extra-Ordinary General Meeting. The investors relations team are saddled with the responsibility to ensure that adequate information is passed to the relevant entities and key decisions are communicated to regulators and shareholders.

5.0 Board Compositions

The Board is composed of five non-Executive Directors and two Executive Directors. The various Directors belong to various Committees.

Sir Sunday Nnamdi Nwosu (Chairman)

Sir Sunday Nwosu is a Non- Executive Director on the board of R.T Briscoe. He is the Chairman of the Board of Directors of RT Briscoe. He joined the board in 2014. He is 71 years old, resides in Nigeria and belongs to boards of other Companies. He is the founder and National Coordinator of the Independent Shareholders Association of Nigeria. He was formally the Chairman of the Board's Financial Controls, Systems and Risk Committee.

He has the first degree as his highest form of education. The fair notice period given for meetings helps his punctuality and he believes that the performance of the board in terms of directing and controlling the affairs of R.T Briscoe is effective. All critical decisions or important session like the review and approval of budget, strategy sessions and the selection of new board members on the board is not taken without his input. R.T Briscoe as a going concern is not threatened. He takes his decision on the board independently as he has no family on the board.

Mr. Bukola Oluseyi Onajide (Group Managing Director/Chief Executive Officer)

Mr. Seyi Onajide has served as Group Managing Director/Chief Executive Officer, Executive Director of R.T. Briscoe (Nigeria) Plc since January 2010. Between July 2009 and January 2010, he served as Managing Director Designate, Executive Director of the Company, and between April 2008 and July 2009, he served as Deputy Managing Director, Executive Director of the Company. He was Non-Executive Director of the Company between December 2004 and April 2008.

He started his accountancy training with the firm of Deloitte Haskins and Sells (now Akintola Williams Deloitte) and qualified as a Chartered Accountant in 1989.

CORPORATE GOVERNANCE REPORT

For financial year ended 31 December 2023

Prior to his joining the Company on July 1, 1998, he had worked with SCOA Nigeria PLC between 1990 and 1996, where he became the AGM, Finance and subsequently with Management Development Associates between 1996 and 1998, as a Management and Financial Consultant. He received a master's degree in Business Administration from the University of Lagos in 1998. He has also attended various courses in Finance and Business Strategy at home and abroad including INSEAD in France. He is Fellow of the Institute of Chartered Accountants of Nigeria (ICAN). He is a member of the Business Strategy Committee and also member of the Finance and Risks Management Committee of the Company.

Dr. Olorunfemi Abidemi Eguakhide (Executive Director, Operations)

Dr. Olorunfemi Eguakhide is a 56-year-old Executive Director responsible for business operations. He holds a postgraduate diploma in Business Administration and an MBA in Marketing Management. Amongst others, He is an Associate Member of the Chartered Institute of Personnel Management of Nigeria (MCIPM), Associate Member of the Nigerian Institute for Training and Development (AITD), Fellow of the Institute of Credit Administration (FICA) and a Fellow of the Institute of Corporate Administration of Nigeria. He has core experience in the areas of operations management., Sales and Marketing Management, Human Resources and Business Leadership. Prior to joining Briscoe, Dr. Eguakhide worked with Genesis Group as DGM Human Resources and IT, General Manager HR &IT, General Manager and Chief Operations Manager at the Bridge Healthcare Company in 2010. He joined the Company as Group Head, Human Capital Development in 2012 and was appointed to manage the Briscoe-Ford unit in 2014 as General Manager. He was later appointed as Head of the Briscoe Motors unit in 2017 and Group Chief Operating Officer in September 2018. He was appointed a Director of the Company with effect from September 1, 2019. He obtained his Doctorate degree in December 2021. He was born on March 28, 1968.

Mr. Akin Ajayi (Non-Executive Director)

Mr. Akin Ajayi is a 62-year-old Non-Executive Director in RT Briscoe. He joined the board in 2009. He holds a Bachelor of Science in Economics. He is a member of some of the Board Committees in RT Briscoe, the Chairman of the Audit committee, Business Strategy Committee and a member of the Financial Controls and Risks Management Committee. He is on the board of other private and public companies including a Non-Government Organization and has full understanding of the roles and responsibilities of a director. He was the Managing Director of Equity Bank Ltd. before its merger with Intercontinental Bank PLC in 2005 where he served as Executive Director from 2005 till his retirement from the Bank in 2008. He is currently the Chairman/Chief Executive Officer of Libra Energy Services Ltd. He joined Briscoe as a Non-Executive Director in 2009.

Alhaji Ali Safiyanu Madugu (Non-Executive Director)

Alhaji Ali Madugu is a 57-year-old Non-Executive Director in RT Briscoe. He joined the Board in 2013. He has a PGD in Entrepreneurship and Venture Management and a MSc in Business Administration. He is a member of the Audit Committee, Governance Committee, and Business Strategy Committee. He belongs to the Boards of other Companies.

Mrs. Folasade Oluwatoyin Ogunde (Non-Executive Director)

Mrs. Folasade Ogunde is an Independent Non-Executive Director in RT Briscoe. She is 61 years old and joined the Board in 2017. She holds a BSc in Economics from Obafemi Awolowo University in Ile-Ife and also attended the General Management Program, Ashridge Business School, Berhamsted in the UK. She belongs to the board of other companies in Nigeria. She attended the Board Orientation Programme in Montpellier, France in September 2018. She is a member of the Board's Committee for Business Strategy, and she is the Chairperson of the Finance & Risks Management Committee. She has partaken in the Company's business development, reviewing and approving budget and Company's strategy session. She is a member of the Institute of Directors.

CORPORATE GOVERNANCE REPORT

For financial year ended 31 December 2023

Ms. Adeola Adenike Ade-Ojo (Non-Executive Director)

Ms. Adeola Ade Ojo has served as a Non-Executive Director of R.T. Briscoe (Nigeria) Plc since December 2004. She is a Fashion Designer. She received a Bachelors degree from the University of Miami in 1987, and a Master of Science degree in Finance from the University of Lagos in 1989. Ms. Ade Ojo has served as Nigerian Representative in an international campaign by the United Nation World Food Program to raise money towards halving the number of hungry people in the world particularly children. She is Member of the Governance Committee of the Company. She is a member of the Board's Financial and Risks Management Committee of the Company.

Mrs. Aderemi Akinsete-Chidi (Alternate Director to Ms. Deola Ade-Ojo)

Mrs. Aderemi Akinsete-Chidi is the alternate Director to Ms. Adeola Adenike Ade-Ojo. She is a professional Banker and Chartered Pension Administrator with over 26 years' experience in the Banking and Sales and Service industry. She graduated with a B.Sc Accounting degree from the Oklahoma City University, USA in 1989 and did her post graduate studies in the Graduate School of Management of the University of Maryland in 1991. She started her banking career with the First American Bank USA in 1989 and has since served in various management positions in some Nigerian banks. She was appointed an Alternate Director in Briscoe with effect from April 10, 2017 and was also appointed the Chairperson of the Governance Committee in 2020. Mrs. Akinsete-Chidi is a member of the Institute of Directors and was born on May 23, 1968.

6.0 Board Meetings and Attendance

The Board members are committed to the meetings upon notification by the Secretariat. The Board meetings and attendance are as follows:

Member	Date of meeting 08.06.2023	Date of meeting 27.07.2023	Date of meeting 26.09.2023	Date of meeting 24.10.2023	Date of meeting 12.12.2023	Attendance in meetings
Sir Sunday Nwosu	AB	P	P	P	P	4
Mr. Seyi Onajide	P	P	P	P	P	5
Dr. Olorunfemi Eguaihide	P	P	P	P	P	5
Mr. Akin Ajayi	P	P	P	P	P	5
Ms. Adeola Ade-Ojo	P	P	P	p	P	5
Alhaji Ali Madugu	P	P	P	P	P	5
Mrs. Folasade Ogunde	P	P	P	P	P	5

7.0 Board Committee

The Board has four major Committees namely:

1. Business Strategy Committee
2. Finance & Risks Management Committee
3. Governance Committee
4. Audit Committee

Each Committee has at least 3 members and the Chairman of each Committee is a Non-Executive Director. Nomination into each Committee follows the following considerations.

- i. Skills and competencies to perform on the Committee
- ii. Previous experience or related experience is an advantage
- iii. Training on the roles of the Committee
- iv. Physical and mental capabilities to deliver values on the role

CORPORATE GOVERNANCE REPORT

For financial year ended 31 December 2023

7.1 Board Strategy Committee

This Committee is headed by Mr. Akin Ajayi as at 31 December 2023. It has 5 members including the Chairman of the Committee.

The Committee is saddled with the responsibility to:

- i. Review business strategies for RT Briscoe; and ensure its implementation.
- ii. Advise the board on strategic initiatives which is required to drive business growth and development
- iii. Communicate company's strategies with various stakeholders and potential investors
- iv. Promote the culture of creativity for products and services

Member	Date of meeting 10.08.2023	Date of meeting 12.12.2023	Attendance in meetings
Mr. Akin Ajayi	P	P	2
Mrs. Folasade Ogunde	P	p	2
Dr. Olorunfemi Eguaihide	P	p	2
Mr. Seyi Onajide	P	p	2
Alhaji Ali Madugu	P	p	2

7.2 Finance & Risks Management Committee

This Committee is chaired by Mrs. Folasade Ogunde as at 31 December 2023. There are 4 members in the Committee.

The Committee is empowered by the Board to:

- i. Oversee and address all risk and financial matters.
- ii. Oversee budgets and financial performance of R.T. Briscoe.
- iii. Ensure the audit of financial statements of R.T. Briscoe.
- iv. Oversee risk assessment of R.T. Briscoe with focus on Key Risks that impacts performance of the organization.
- v. Promote the culture of transparency, accountability and honesty in all financial dealings.
- vi. Recommend to the Board, acquisition of assets, budget projections and financial performance on a periodic basis.
- vii. Drive working capital management which includes but not limited to capital raising and profit distribution.
- viii. Prevention of fraud or mismanagement through effective design and implementation of controls.

Member	Date of meeting 25.05.2023	Date of meeting 27.07.2023	Date of meeting 23.10.2023	Date of meeting 05.12.2023	Attendance in meeting
Mrs. Folasade Ogunde	P	P	P	P	4
Mr. Akin Ajayi	P	P	P	P	4
Mr. Seyi Onajide	P	P	P	P	4
Dr. Olorunfemi Eguaihide	p	P	P	P	4
Ms. Adeola Ade Ojo	P	p	p	p	4

CORPORATE GOVERNANCE REPORT

For the year ended 31 December 2023

7.3 Governance Committee

The Governance Committee of the Board is headed by Mrs. Aderemi Akinsete-Chidi (Alternate Director to Ms. Adeola Ade Ojo) as at 31 December 2023. The Committee has 3 members:

The composition of the Board was carefully considered due to the need to promote good leadership and strong oversight. The essence of the Committee is to ensure that:

- i. The selection of the Board members follows an approved standard and best practices.
- ii. The development and knowledge acquisition of board members are highly considered to deliver values.
- iii. Strong oversight is maintained across all business function and units.
- iv. Succession plans exist at all levels and are effectively implemented.
- v. Culture of the organization is preserved.

Member	Date of meeting 26.07.2023	Date of meeting 05.12.2023	Attendance in meeting
Ms. Adeola Ade Ojo	P	P	2
Mrs. Folasade Ogunde	P	P	2
Alhaji Ali Madugu	P	P	2

7.4 Audit Committee

R.T. Briscoe has an Audit Committee comprising of two directors and three shareholders. As at December 31, 2023, Mr Akin Ajayi is the Chairman of the Committee.

The Audit Committee is empowered by the Board to:

- i. Ensure compliance with regulatory and legal requirements of the company.
- ii. Assessment of qualifications and independence of external auditors.
- iii. Assessment of the performance of the company's internal auditor.
- iv. Assist in the oversight and integrity of the company's financial statement.
- v. Oversee Management's processes for the identification of fraud risks across the Company and putting adequate preventions, detection and reporting mechanisms in place.
- vi. Discuss policies and strategies in respect to risk assessment and management.

Member	Date of meeting 08.06.2023	Date of meeting 25.07.2023	Date of meeting 24.10.2023	Attendance in meeting
Mr. Akin Ajayi	P	P	P	3
Mr. Kenneth Nwosu	P	P	P	3
Mr. Anthony Katchy	P	P	P	3
Mr. Adeniyi Adebisi	p	p	P	3
Alhaji Ali Madugu	P	P	p	3

SUSTAINABILITY REPORT

For the year ended 31 December 2023

R.T. Briscoe is dedicated to long-term social and environmental sustainability through ethical business practices that support building a comfortable society while contributing to a safe and viable environment. In the face of disruption and change, we remain true to the values that have long guided our business: respect for people and continuous improvement. Our organization is committed to sound and responsible business practices, including the incorporation of environmental and social risk considerations into our business processes to ensure positive impacts on society and the environment.

R.T. Briscoe has adopted sustainability as a business strategy and opportunity for future growth. As industry leaders, we focus on implementing sustainability in the Nigerian automobile, industrial equipment, and real estate industries. We believe in extending our sustainability focus beyond industry regulation to create a measurable framework that contributes to a more sustainable planet and builds limitless opportunities. We are confident this can be achieved through a deliberate plan and commitment to sustainability values and responsible business practices.

For 66 years, R.T. Briscoe has seen itself as embedded in the society; it is in our DNA to operate in harmony with nature and our communities. Our business approach is built upon sustainability, reflecting our guiding principles. Our strategy focuses on responsible business practices, driving our role in ensuring long-term development through quality products and services to our esteemed customers.

The organization recognizes the irrefutable relationship between increasing the quality of life for people, the long-term sustainable growth of its business activities, and the environment where it operates. Hence, our sustainable activities are woven around three cardinal guidelines:

1. Responsible Institution
2. Sustainable Business Growth
3. Community Investments

A. RESPONSIBLE INSTITUTION

Business Priorities: The business priorities regarding environmental, social, and ethical issues are determined by the Board through the Board Governance, Strategy, Audit, Finance, and Risks Management Committees. This integrates the Environmental and Social Risk Management policy into business decisions. The Risk Management Framework (RMF) sets out the agenda for consistent and systematic risk management at R.T. Briscoe. The risk assessment sheet is continuously updated and enhanced to reflect current realities, mitigate occurrences, and guide efficient business decision-making. The assessment is regularly modified to align with international best practices.

Employee Engagement and Wellbeing: Our success depends on having engaged and energized employees to pursue our vision. We are committed to employee wellbeing through effective engagements such as health trainings, competitive benefits, and adequate compensation to promote staff retention. As an equal opportunity employer, we provide a safe and conducive work environment for all employees. We invest in various capacity-building, team bonding, and employee empowerment programs to support, solve, and develop the workforce. This engagement drives and enhances work performance.

Gender, Diversity, and Inclusion: In line with best practices, Briscoe offers equitable remuneration and capacity development opportunities for all, regardless of gender, ethnicity, ideology, or creed. We celebrate individuality and diversity, treating our workforce with respect, dignity, and fairness. We ensure applications from persons with disabilities are given utmost consideration. If any staff member becomes physically challenged, appropriate training and counseling sessions are organized to ensure continuous employment.

SUSTAINABILITY REPORT

For the year ended 31 December 2023

Product Safety and Quality: Quality, durability, and reliability are central to the brand values of any OEM we deal with. Customer safety is our highest priority. For our employees, we have achieved a safe and healthy working environment based on shared responsibilities. Over the past 66 years, we have maintained an enviable Health, Safety, and Environment (HSE) record, in line with OEM guidelines. We enforce the HSE framework, cascading it to employees, customers, and other stakeholders on the premises.

Malaria and Other Serious Diseases: Our main goal is to ensure consistent improvement in workforce wellbeing, ensuring employees are fit mentally, physically, and emotionally, and subsequently productive. In partnership with the Health Management Organizations (HMO), employees are registered with hospitals under the insurance scheme for health management issues like malaria and other serious ailments for them and their dependents.

Code of Ethics: Sustainability is essential to attract and retain dedicated employees with a strong service mindset for business continuity and long-term performance. Our core values, the foundation for our culture and procedures, are described in our Code of Conduct, focusing on ethical risk areas. The Code, attested annually by every employee, provides guidance on recognizing and dealing with ethical issues, reporting unethical conduct, and fostering a culture of honesty and accountability.

Human Rights: We aim to set a positive example in respecting and promoting human rights. We have fair recruitment practices that are nondiscriminatory, demonstrating respect for the 1948 Universal Declaration of Human Rights (UDHR) and International Labor Organization's (ILO) standards on child and forced labor, collective bargaining, freedom of association, social protection, and dialogue on work-related issues.

Collaboration: We appreciate the importance of working jointly with local and international institutions that promote environmentally and socially responsible economic development. We ensure our activities do not undermine the ability of future generations to meet their needs.

Environmental Responsibility: We observe a strict and scheduled diesel operation for our power generating sets to reduce carbon emissions. We are exploring alternative power supply means to achieve this objective. Compliance with this has helped reduce energy consumption and carbon emissions. We are committed to reducing our carbon footprint by using recycled paper and tracking printing costs and paper usage across all business units.

B. SUSTAINABLE ECONOMIC GROWTH

Briscoe generates significant economic value beyond our profits; we are at the heart of an ecosystem including our suppliers, non-profit partners, and customers. Despite the challenging business environment, particularly for a company dealing with largely imported capital goods, we have been able to pay employees regularly, meet financial commitments, and sustain operational profitability since the successful business restructuring exercise in 2016. With the current business performance trend, our company shall remain a going concern in the foreseeable future.

C. COMMUNITY INVESTMENTS

Corporate Social Responsibility: We believe that beyond business benefits to society, we have a role in enabling individuals and communities to reach their full potential. Our commitment runs deep, driven by the belief that building a strong business and making the world better are essential for long-term success.

SUSTAINABILITY REPORT

For the year ended 31 December 2023

Consistent with our sustainability and CSR plans, our interventions are driven by strategic focus and significant investments in Education, Health & Safety, Women & Youth Empowerment, Environment, Social Infrastructure, Sports, and Cultural & Civic Projects. These areas are essential pillars for building a sustainable society. We have fully integrated CSR into our business model and maintain a clearly defined CSR strategy focused on championing humanitarian causes and fostering initiatives that transform lives and communities.

In 2023, R.T. Briscoe made significant strides in its Corporate Social Responsibility (CSR) initiatives, demonstrating a strong commitment to the community. We proudly contributed to various local events, supporting cultural and social activities that bring our community together.

Our focus on youth empowerment was evident as we prioritized locals for job opportunities, ensuring that the community benefits from our presence. We also engaged in a variety of activities designed to uplift and engage the youth, fostering a sense of purpose and direction.

In addition to these efforts, R.T. Briscoe remained dedicated to environmental stewardship. We organized and participated in numerous sanitation and environmental activities, working tirelessly to keep our surroundings clean and promote sustainable practices.

Through these initiatives, R.T. Briscoe continues to be a responsible and active participant in the growth and well-being of our community.

D. SANCTION BY REGULATORY AUTHORITIES

During the year, the Company did not suffer the imposition of any sanction by any of its regulatory authorities.

E. CUSTOMERS' COMPLAINTS

Customer Engagement and Satisfaction: We are a customer-focused organization. Our ongoing success depends on our customers being at the heart of all our decisions and activities, ensuring they become R.T. Briscoe advocates for life.

To close the gap between our service delivery and customer expectations, we reviewed our business processes and service standards to increase value creation and ensure a rewarding customer experience.

This improvement will continue as we focus on surpassing customer expectations while ensuring the swift resolution of customer complaints through prompt, impartial, and fair investigations.

Complaint/Feedback Channels: Our dedicated channels for receiving and processing complaints include:

- Dedicated email: customerservice@rtbriscoe.com
- Customer Service Management Department
- Social media platforms, including Twitter and Facebook
- Active website interactive chat system (Talk.to)

CHAIRMAN'S STATEMENT

For the year ended 31 December 2023

GENERAL

It is my privilege and utmost pleasure to welcome you once again to the Annual General Meeting of our Company for the 2023 financial year and also thank you for your continued support and unwavering faith in the Board of the Company. We will not rest on our oars in the collective effort to reposition our Company.

BUSINESS ENVIRONMENT

The year 2023 had a profound impact on businesses across the country due to a number of significant events, notably, the change in government in May 2023. This change spurred the initiation of bold reforms, including the partial elimination of the petrol fiscal subsidy and the unification of the foreign exchange (FX) market, aimed at mitigating inflationary pressures on vulnerable households.

The removal of the petrol subsidy was a significant policy shift with multifaceted implications for the economy. It had immediate consequences for consumers, leading to increase in retail fuel prices by an average of 163% with consequential ripple effects on transportation costs, which, in turn, impacted the prices of goods and services across various sectors.

Additionally, the Central Bank of Nigeria's unexpected decision to float the Naira on June 14, 2023, resulted in the depreciation of the Naira and foreign exchange volatility challenges throughout the rest of the year. The exchange rate at the official market closed at N461.33/\$1 on Wednesday, December 28th, 2022. By December 2023, the exchange rate between the Naira and the dollar at the official NAFEM stood at N907.11 per dollar, marking the end of a turbulent year for the currency of Africa's largest economy.

Data from the FMDQ, where the exchange rate trades officially, reveal that the Naira closed slightly better than the N1,043/\$1 it closed at a day earlier. On a year on year basis, the exchange rate has depreciated by a whopping 97% after opening the year at N461.5/\$1.

The decision to float the naira had broad economic repercussions, including increased cost of importation, surging inflation rates, diminishing purchasing power, and a deterrent effect on investment inflows.

On a year-on-year basis, as of December 2023, the headline inflation rate was 7.58 percentage points higher compared to December 2022, reaching 21.34%. This was an increase in inflation compared to the same month in the previous year.

The Purchasing Managers' Index™ (PMI®), a key indicator of business conditions, moved back above the 50.0 no-change mark for the first time in three months at the end of 2023, registering 52.7 in December compared to 48.0 in November. This reading signaled a solid improvement in the health of the private sector, marking the most significant improvement since June 2023.

Nigeria's GDP grew by 3.46% year-on-year in the fourth quarter of 2023, slightly lower than the 3.52% recorded in Q4 2022 but higher than the 2.54% growth of Q3 2023.

Nigerian stocks performed remarkably well, closing the year with gains of 46.6%, amounting to a total of N13 trillion and driving the market value of equities to N40.9 trillion. On the final trading day of 2023, the NGX hit a new all-time high, with the ASI appreciating by 0.36%. Starting the year at 51,251.06 points, the NGX witnessed exceptional growth of 45.90% in 2023. Notably, market capitalization also saw a significant increase of N148 billion, closing the year at N40.92 trillion. A change in government in May brought about market-friendly reforms, bolstering share prices, and propelling the benchmark equity index to a record high of 74,773.77 basis points by year-end.

CHAIRMAN'S STATEMENT

For the year ended 31 December 2023

RESULTS

Despite formidable challenges, R.T. Briscoe demonstrated resilience and adaptability, achieving a turnover of N14.59 billion as of December 31, 2023. This performance was due to forex volatility and the impact of the fuel subsidy removal, which cut across every sector of the economy. The Management strategically implemented measures to navigate these external challenges effectively. Notably, the group addressed industry-wide issues such as price fluctuations, by employing strategic hedging practices.

Additionally, it is noteworthy and uplifting to mention that R.T. Briscoe Nigeria Plc's workshop was honored with the prestigious award from The Nigeria Auto Journalists Association (NAJA) as the best auto workshop of the year 2023. This achievement is a testimony of the diligent efforts and unwavering commitment of the management team to improve the standards of automotive repairs and maintenance. It underscores the company's dedication to excellence and its persistent pursuit of customer satisfaction. This recognition not only validates the hard work of the workshop staff but also strengthens the company's position as a leader in the automotive industry.

Despite formidable challenges, R.T. Briscoe demonstrated resilience and adaptability, achieving a turnover of N14.59 billion as of December 31, 2023. This performance was due to forex volatility and the impact of the fuel subsidy removal, which cut across every sector of the economy. The Management strategically implemented measures to navigate these external challenges effectively. Notably, the group addressed industry-wide issues such as price fluctuations, by employing strategic hedging practices.

THE CURRENT FINANCIAL POSITION OF THE COMPANY

The Management of our Company has demonstrated unwavering commitment to innovation, hard work, and dedication, which have served as the driving force behind our collective resilience and adaptability. Despite the daunting challenges in the Nigerian economy throughout the year, I am pleased to report that the company has sustained its operational profit for six consecutive years.

Furthermore, I am delighted to inform you that R.T. Briscoe has made significant progress in settling our obligations to the Asset Management Corporation of Nigeria (AMCON). We have successfully repaid the total sum of N2 billion, being the principal amount owed. Plans are also underway to settle the accrued interest, which would further strengthen our financial position.

In collaboration with our financial advisers, Dunn Loren Merrifield (DLM), we launched the R.T. Briscoe Savings and Investment Fund on March 27, 2024. This fund provides an opportunity for both individual and institutional investors to participate in our growth story. Sales of units of the fund are now available to the public, institutional investors, and select high net worth individuals who may wish to invest. In the course of this AGM, a short presentation on the Savings and Investment Fund would be made to you all.

Despite the challenges we have faced, I wish to assure our esteemed shareholders that R.T. Briscoe remains a viable and profitable company. We remain committed to delivering value to all stakeholders, and we will continue to pursue opportunities for growth and expansion in the years to come.

Guided by our strong financial prudence and unwavering commitment to excellence, the future of R.T. Briscoe remains bright. As we continue to navigate the ever-changing landscape of the Nigerian economy, we are confident in our ability to identify viable opportunities and overcome challenges.

CHAIRMAN'S STATEMENT

For the year ended 31 December 2023

CORPORATE GOVERNANCE

Your Board held a total of five meetings in 2023. The meetings were tailored to focus on the activities and challenges confronting the Company. Aside the meetings of the Board, the Board Committees also held their independent meetings in the course of the year.

I am delighted to announce the appointment of Mr. Jubril Adetokunbo Shittu as the Group Finance Director with effect from April 1, 2024. With his wealth of experience and expertise, Mr. Shittu will undoubtedly contribute significantly to the continued success of our company. With his appointment, the Board now has eight Directors, comprising three Executive Directors, two Non-Executive Directors and three Independent Directors. We are not unmindful of the need to strengthen the Board in accordance with the Article of Association of the Company which prescribes a maximum of 10 Directors. We project to do this simultaneously with the recapitalization of the Company so that new investors would be allowed commensurate representation on the Board as Non-Executive Directors.

In accordance with Section 285 of CAMA 2020 your Chairman, Sir Sunday Nwosu and Mrs. Folasade Ogunde retire by rotation and being eligible, offer themselves for reelection.

In furtherance of our desire to ensure very strict compliance with the Code of Corporate Governance and to be guided in all our business dealings by the highest standard of corporate governance, the Board directed Management to ensure the registration of all Senior Managers of the Company with the Society of Corporate Governance. The registration is currently in progress.

In the course of this meeting, we shall be requesting your approval/ratification of the appointment of Mr. Jubril Adetokunbo Shittu as an Executive Director of the Company.

FUTURE BUSINESS PROSPECTS

As we navigate the evolving business landscape, we acknowledge the impact of the new government administration on our operations. Therefore, strategically positioning our businesses to attract potential customers through aggressive marketing initiatives remains a top priority for us.

Drawing from our robust foundation and longstanding market presence, R.T. Briscoe is dedicated to enhancing profitability and strengthening our existing business units. Our Material Handling business is solidifying its presence across the industrial sector with the Manitou and Logistrans brands. The Briscoe Technical Products and Services (Elgi Compressor) business is positioned to swiftly adapt to market dynamics. Additionally, our property business (Briscoe properties Limited) is set to complete the current property development project in the Ilaje area of Lekki and embark on new development ventures. Through strategic partnerships and alliances, we aim to explore new market segments and geographical regions, thereby broadening our customer base and revenue streams. Looking ahead, we remain optimistic about the growth potential of our current business units, supported by sound financial strategies.

With the launch of the RTB Savings and Investment Fund, we have demonstrated our commitment to providing accessible investment opportunities to our stakeholders, ensuring a promising and financially secure future for all involved.

R.T. Briscoe has made significant progress in settling our obligations to the Asset Management Corporation of Nigeria (AMCON). We have successfully repaid the total sum of N2 billion, being the principal amount owed. Plans are also underway to settle the accrued interest, which would further strengthen our financial position.

”

CHAIRMAN'S STATEMENT

For the year ended 31 December 2023

In today's increasingly digital landscape, R.T. Briscoe recognizes the pivotal role of innovation and technology integration in enhancing operational efficiency and customer experience. As responsible corporate citizens, we are dedicated to sustainability practices and corporate social responsibility initiatives, ensuring a positive impact on both society and the environment.

R.T. Briscoe is focused on sustainable growth in revenue, profitability, and shareholder value. We prioritize prudent financial management, cost optimization, and strategic investments to navigate economic uncertainties effectively, ensuring long-term success and stability.

Customer satisfaction remains paramount at R.T. Briscoe. We will continue to listen to feedbacks, tailor products and services to meet evolving needs, and deliver exceptional value and experiences, thereby strengthening customer loyalty and building lasting relationships.

Your Board assures you of exciting times ahead and is confident in the continued success and sustainability of our company as R.T. Briscoe maintains its commitment to excellence. We are unwavering in our dedication to ensuring the continued success and viability of our business operations, driving innovation, and delivering value to all stakeholders.

We extend our gratitude to our shareholders, employees, and stakeholders for their unwavering support and look forward to a promising future.

Wishing you a successful Annual General Meeting.



Sir Sunday Nnamdi Nwosu Kss, GCOA, FIOD, JP
Chairman



DIRECTORS' REPORT

For the year ended 31 December 2023

The Directors present their annual report on the affairs of R.T. Briscoe (Nigeria) Plc ("the Company") and its subsidiaries ("the Group"), together with the financial statements and independent Auditor's report for the year ended 31 December 2023.

Legal form

The Company was incorporated in Nigeria as a private limited liability company on 9 March 1957 and was converted to a public limited liability company in 1973. The shares of the Company were listed on the Nigerian Stock Exchange on 15 March 1974.

Principal Activity and Business Review

The principal activities of the Company are sales and service of Toyota motor vehicles, technical equipment (including forklifts, industrial compressors, mining and drilling equipment), generating sets, facilities management, property development, project and estate management services.

The following is a summary of the principal activities of the subsidiaries of the Company:

Name	Principal activity	Direct & Indirect Shareholding %
Briscoe Properties Limited	Facility management, property development and sale and leasing of property.	100
Briscoe Technical Products & Services Limited	Trading of Industrial Equipment	100
Briscoe Leasing Limited	Not Operational	100
Briscoe Material Handling Ltd.	Not Operational	100
Briscoe Motors Limited	Not Operational	100
Briscoe Garages Limited	Not Operational	100

The financial results of these subsidiaries have been consolidated in these financial statements. The name of Briscoe-Elgi Equipment Nigeria Limited was changed to Briscoe Technical Products and Services Limited with effect from May 10th, 2022.

Operating Results

The following is a summary of the Group and Company's operating results and accumulated loss:

	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Revenue	14,592,325	17,883,014	13,664,037	16,781,334
Results from operating activities	378,788	1,084,552	487,083	1,059,454
Net finance costs	(1,332,548)	(838,672)	(1,306,528)	(829,829)
(Loss) / Profit before income tax	(953,760)	245,880	(819,445)	229,625
(Loss) / Profit for the year after tax	(1,242,790)	123,354	(1,082,838)	112,287
Total comprehensive (Loss)/income for the year	(1,252,273)	111,474	(1,092,321)	100,407
Accumulated loss, end of year	(13,420,226)	(12,167,953)	(13,399,309)	(12,306,988)

Directors and their interests

During the year under review, the Group was managed by a Board of seven Directors consisting of five non-Executive Directors which included the Chairman, and two Executive Directors comprising the Group Managing Director and Executive Director.

DIRECTORS' REPORT

For the year ended 31 December 2023

The Directors who served during the year and their interest in the shares of the Company as recorded in the Register of Members and/or as notified by the Directors for the purpose of Section 301 of the Companies and Allied Matters Act and as disclosed in accordance with Section 303 of that Companies and Allied Matters Act are as follows:

Direct Interest:	Ordinary Shares of 50k each as at 31 December 2023	Ordinary Shares of 50k each as at 31 December 2022	Approval Date of Accounts 27-Mar-24
Sir Sunday Nnamdi Nwosu (Chairman)	15,251	10,873	21,927
Mr. Bukola Oluseyi Onajide (Group Managing Director)	648,000	648,000	648,000
Dr. Olorunfemi Abidemi Eguakhide (Executive Director)	1,095,346	-	1,095,346
Ms. Adeola Adenike Ade Ojo	-	-	-
Mr. Akin Ajayi	50,000	50,000	50,000
Alhaji Ali Safiyanu Madugu, mni	100,000	-	100,000
Mrs. Folasade Oluwatoyin Ogunde	-	-	-
Mr. Jubril Shittu, FCA (Appointed on March 27, 2024)	-	-	-
Indirect Interest:			
Ms. Adeola Adenike Ade Ojo (through Classic Motors)	97,200,000	97,200,000	97,200,000

Alternate Director

Mrs. Aderemi Oluwatosin Akinsete-Chidi served as alternate to Ms. Adeola Adenike Ade Ojo during the year ended 31 December 2023.

Directors' interest in contracts

In accordance with section 303 of the Companies and Allied Matters Act, 2020 none of the Directors has notified the Company of any declarable interests in contracts with the Company.

Re-election of directors

In accordance with Section 285 of the Companies and Allied Matters Act, 2020, Sir Sunday Nwosu and Mrs. Folasade Ogunde retire by rotation and being eligible offer themselves for re-election.

Independent Non-Executive Directors

Three Independent Non-Executive Directors namely Sir Sunday Nnamdi Nwosu, Alhaji Ali Safiyanu Madugu, mni and Mrs. Folasade Oluwatoyin Ogunde served on the Board of the company during the year ended 31 December 2023. The independence of these Directors were ascertained in accordance with the provisions of the Nigerian Code of Corporate Governance 2018 which requires the Board to annually ascertain and confirm the continued independence of each Independent Non-Executive Director of the company.

An Independent Non-Executive Director is required by the Code to represent a strong independent voice on the Board, be independent in character and judgment and accordingly be free from such relationships or circumstances with the Company, its management, or substantial shareholders as may, or appear to, impair his or her ability to make independent judgment.

Diversity on the Board

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The composition of the Board is based on a number of considerations which include but are not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments are based on merit, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board.

DIRECTORS' REPORT

For the year ended 31 December 2023

Frequency of Meetings

The table below shows the frequency of meetings of the Board of Directors, Board Committees, and members' attendance at these meetings, during the year ended 31 December 2023.

	Board of Directors	Audit Committee	Business Strategy Committee	Finance & Risks Management Committee	Governance Committee
Number of Meetings held	5	3	2	4	2
Sir Sunday Nnamdi Nwosu	4	N/A	N/A	N/A	N/A
Mr. Bukola Oluseyi Onajide	5	N/A	2	4	N/A
Dr. Olorunfemi Eguaikhide	5	N/A	2	4	N/A
Ms. Adeola Adenike Ade Ojo	5	N/A	N/A	4	2
Mr. Akin Ajayi	5	3	2	4	N/A
Alhaji Ali Safiyanu Madugu, mni	5	3	2	N/A	2
Mrs. Folasade Ogunde	5	N/A	2	4	2
Mr. Jubril Shittu, FCA ***					

N/A - Not applicable as the director is not a member of the committee.

*** This Director was appointed on March 27, 2024.

The table below shows the dates that the meetings of the Board of Directors, Board Committees and the statutory Audit Committee of the company were held during the year ended 31 December 2023:

Dates of meetings					
	Board of Directors	Audit Committee	Business Strategy Committee	Finance & Risks Management Committee	Governance Committee
	08.06.2023	08.06.2023	10.08.2023	25.05.2023	26.07.2023
	27.07.2023	25.07.2023	12.12.2023	27.07.2023	05.12.2023
	26.09.2023	24.10.2023	-	23.10.2023	-
	24.10.2023	-	-	05.12.2023	-
	12.12.2023	-	-	-	-

The Board held a post-Annual General Board Meeting on September 26, 2023.

Beneficial ownership

According to the Register of Members as at 31 December 2023, the following shareholders held more than 5% of the issued share capital of the Company.

	Number of Ordinary Shares of 50k each			
	2023	2023 %	2022	2022 %
Mikeade Investment Limited	339,931,724	28.90	339,931,724	28.90
Classic Motors Limited	97,200,000	8.26	97,200,000	8.26
Nigerian public	739,220,332	62.84	739,220,332	62.84
	1,176,352,056	100.00	1,176,352,056	100.00

DIRECTORS' REPORT

For the year ended 31 December 2023

The analysis of distribution of shares of the Company as at 31 December 2023 was as follows:

Shareholding between:	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
1-100	782	1.80	44,181	0.00
101-500	2,874	6.62	849,201	0.07
501-1000	7,796	17.97	7,063,973	0.60
1001-2500	11,045	25.45	19,337,086	1.64
2,501-5,000	6,693	15.42	22,825,795	1.94
5,001-7,500	2,306	5.31	14,108,253	1.20
7,501-10,000	6,086	14.02	48,183,321	4.10
10,001-100,000	5,079	11.70	132,374,324	11.25
100,001-1,000,000	656	1.51	181,234,281	15.41
100,001 and above	78	0.18	750,331,641	63.78
	43,395	100	1,176,352,056	100

Free Float

The free float of the company is in full compliance with the minimum free float requirements of the Nigerian Exchange for the Main Board. The free float analysis of the issued and paid-up share capital of the company as at December 31, 2023 and March 27, 2024 when the consolidated financial statements for the year ended 31st December, 2023 were approved is as follows:

	No. of ordinary shares held as at March 27, 2024	% of ordinary shares held as at March 27, 2024	No. of ordinary shares held as at 31 December 2023	% of ordinary shares held as at 31 December 2023	% of ordinary shares held as at 31 December 2022
Strategic Shareholding	437,131,724	37.16	437,131,724	37.16	37.16
Director's Direct Shareholding	1,915,273	0.16	1,908,597	0.16	0.06
Staff Schemes	13,255,923	1.13	13,255,923	1.13	1.13
Free Float	724,049,136	61.55	724,055,812	61.55	61.65
Total	1,176,352,056	100	1,176,352,056	100	100

Donations

The Group donated N400,000 (2022: N250,000) to the following charitable institution during the year. Charitable donations to NAFRC Officers mess - N100,000

Donation to Rumuokwurushi Community Annual Festival - N300,000;

In accordance with Section 43(2) of CAMA 2020, the Group did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review

Subsequent events

There were no other significant subsequent events which could have had a material effect on the Group's and the Company's financial position as at 31 December, 2023 that have not been adequately provided for or disclosed in these financial statements. Refer to Note 36 on page 106.

DIRECTORS' REPORT

For the year ended 31 December 2023

Distributors

There are no major distributors appointed to distribute the Company's products.

Suppliers

The Company's significant suppliers are Toyota Nigeria Limited, Manitou France, SOCMA, Logitrans and ELGi Equipment Limited, India.

Acquisition of Company's own shares

The Company has no beneficial interest in any of its own shares and all shares are held as provided for in the Company's Articles of Association.

Share Capital history

The changes to the Company's share capital since incorporation are summarised below:

Year	Authorised Share Capital		Issued and Fully Paid Up		Consideration
	Increase '000	Cumulative '000	Increase N'000	Cumulative N'000	
1957	-	200	200	200	Cash
1963	200	400	-	200	Increase in authorised share capital
1964	-	400	200	400	Bonus
1972	1,600	2,000	-	400	Increase in authorised share capital
1973	-	2,000	800	1,200	Bonus
1974	-	2,000	800	2,000	Cash
1975	4,000	6,000	2,000	4,000	Bonus
1976	4,000	10,000	6,000	10,000	Bonus
1977	10,000	20,000	5,000	15,000	Bonus
1980	-	20,000	5,000	20,000	Bonus
1981	10,000	30,000	5,000	25,000	Bonus
1992	-	30,000	5,000	30,000	Bonus
1993	20,000	50,000	-	30,000	Increase in authorised share capital
1997	50,000	100,000	30,000	60,000	Rights Issue
2003	-	100,000	15,000	75,000	Bonus
2004	200,000	300,000	18,750	93,750	Bonus
2004	-	300,000	62,500	156,250	Rights Issue
2004	-	300,000	25,285	181,535	Public Offer
2007	-	300,000	45,384	226,919	Bonus
2008	-	300,000	56,730	283,650	Bonus
2009	-	300,000	56,730	340,380	Bonus
2010	300,000	600,000	68,076	408,426	Bonus
2011	1,400,000	2,000,000	81,691	490,147	Bonus
2012	-	2,000,000	98,029	588,177	Bonus
2014	1,250,000	3,250,000	-	588,177	Increase in authorised share capital

DIRECTORS' REPORT

For the year ended 31 December 2023

Employment and employees

a) Employment of physically challenged persons

The Group has no physically challenged persons in its employment. However, applications for employment by physically challenged persons are always fully considered bearing in mind the respective aptitudes and abilities of the applicants concerned. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of physically challenged persons should, as far as possible, be identical with that of other employees.

b) Health, safety and welfare at work

The Group invests its resources to ensure that the hygiene of its premises is of the highest standard. To this end, the Group has various forms of insurance policies, including company personal accident insurance to adequately secure and protect its employees.

c) Employee involvement and training

The Group places considerable value on the involvement of its employees and has a practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. The Group has in-house training facilities complemented when and where necessary with additional facilities from educational institutions for the training of its employees.

Property, plant and equipment

Information relating to changes in property, plant and equipment is disclosed in Note 17 to the financial statements.

Audit Committee

Pursuant to Section 404 (3) of the Companies and Allied Matters Act 2020, the Company has an Audit Committee comprising of two directors and three shareholders. Details of the members, frequency of meetings held and attendance of members are below:

Attendance of members at meetings held in the year			
	08.06.2023	25.07.2023	24.10.2023
Mr. Akin Ajayi (Chairman)	P	P	P
Mr. Kenneth Nwabike Nwosu	P	P	P
Alhaji Ali Safiyanu Madugu, mni	P	P	P
Mr. Adeniyi Araunsi Adebisi	P	P	P
Mr. Anthony Kanayo Katchy	P	P	P

*P - Present

The functions of the Audit Committee are laid down in Section 404(7) of the Companies and Allied Matters Act, 2020.

Corporate Governance

The Board is responsible for the corporate governance of the Group. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial status of the company and ensure that the financial statements comply with the provisions of Companies and Allied Matters Act, 2020 and the Financial Reporting Act. They are also responsible for safeguarding the assets of the Group by taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT

For the year ended 31 December 2023

Committee	Membership	Status
Business Strategy	Mr. Akin Ajayi Mr. Bukola Oluseyi Onajide Alhaji Ali Safiyanu Madugu Mrs. Folasade Oluwatoyin Ogunde Dr. Olorunfemi Eguaihide	Chairman Member Member Member Member
Governance	Ms. Adeola Adenike Ade-Ojo Alhaji Ali Safiyanu Madugu Mrs. Folasade Oluwatoyin Ogunde	Chairman Member Member
Finance & Risks Management	Mrs. Folasade Oluwatoyin Ogunde Mr. Bukola Oluseyi Onajide Mr. Akin Ajayi Ms. Adeola Adenike Ade-Ojo Dr. Olorunfemi Eguaihide	Chairman Member Member Member Member

Appointment of Group Finance Director

The Board of Directors approved the appointment of the Chief Financial Officer, Mr. Jubril Adetokunbo Shittu as the Group Finance Director with effect from April 1, 2024. His appointment will be ratified at the Annual General Meeting.

Compliance with the Code of Corporate Governance

During the year, the company complied with the Nigerian Code of Corporate Governance 2018 issued by the Financial Reporting Council of Nigeria.

Complaints Management Framework

The company has a Complaints Management Policy to handle and resolve complaints from shareholders, customers, business associates, employees, members of the public and other stakeholders. The details of the policy are hosted on the company's website.

Whistle Blowing Policy

The company also has a Whistle Blowing Policy which governs the procedure and provides for a confidential channel by which employees, customers and other members of the public might report any concerns about wrongdoing or improper conduct within the company to the Board of Directors or the Audit Committee. Reports by Whistle Blowers can be made in writing by email and addressed to whistleblowing@rtbriscoe.com or the personal emails of the Chairmen of the Committees as follows:

Ag. Chairman, Governance Committee	-	akinsetaderemi@hotmail.com
Chairman, Audit Committee	-	akinajayi1@yahoo.com
Chairman, Finance and Risk Management Committee	-	sadeogunde@gmail.com

Reports can also be made verbally either through telephone or in person. The following telephone lines should be used:

07056984101	-	(Ag. Chairperson, Governance Committee)
08023037318	-	(Chairman, Audit Committee)
09092154179	-	(Chairperson, Finance & Risks Management Committee)

The details of the policy are hosted on the company's website.

DIRECTORS' REPORT

For the year ended 31 December 2023

Securities Trading Policy

The Board has a Securities Trading Policy which is applicable to all employees, directors, audit committee members and connected employees of auditors, consultants and contractors of the company and its subsidiaries. The terms of the policy are no less exacting than the standard set in the Listing Rules of The Nigerian Exchange. A copy of the policy is on the company's website.

Independent Auditors

During the Annual General Meeting of 26th September, 2023; a resolution was passed for the appointment of Messrs. Crowe Dafinone as the External Auditors of the Company in accordance with Section 401 of the Companies and Allied Matters Act, 2020. A Resolution was also passed authorising the Directors to determine their remuneration.

BY ORDER OF THE BOARD



Michael Olabode

FRC/2022/PRO/NBA/002/23356

Company Secretary

18, Fatai Atere Way, Matori Lagos, Nigeria

Dated: 27th March, 2024



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

In accordance with the provisions of the Companies and Allied Matters Act, 2020, the Directors are responsible for the preparation of consolidated and separate financial statements which give a true and fair view of the state of affairs of the Group at the end of the year and its profit or loss for the year ended on that date.

The responsibilities include ensuring that:

- i. The Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act, 2020.
- ii. Appropriate and adequate internal controls are established to safeguard its assets and to prevent and detect fraud and other irregularities;
- iii. The Group prepares its Consolidated and separate Consolidated and separate financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied; and
- iv. It is appropriate for the Consolidated and separate financial statements to be prepared on a going concern basis.

The Directors accept responsibility for the preparation of the consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in accordance with the International Financial Reporting Standards; in compliance with the provisions of the Financial Reporting Council Act No. 6, 2011 and in the manner required by the Companies and Allied Matters Act, 2020.

The Directors are of the opinion that the Group Consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group, in accordance with the International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and in the manner required by Companies and Allied Matters Act, 2020.

The Directors further accept responsibility for the maintenance of adequate accounting records as required by the Companies and Allied Matters Act, 2020 and for such internal controls as the Directors determine is necessary to enable the preparation of Consolidated and separate financial statements that are free from material misstatements whether due to fraud or error.

Going Concern:

The Consolidated and separate financial statements have been prepared assuming the Group and Company will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the near future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, management takes into account all available information in the near future, in particular for the twelve months from the date of the Consolidated and separate financial statements.

As at 31 December 2023, the Group's current liabilities exceeded its current assets by N14.86 billion (2022 : N13.24 billion) and the Company by N14.94 billion (2022 : N13.48 billion), while Group total liabilities exceeded its total assets by N9.2 billion (2022 : N8.0 billion) and the Company by N9.2 billion (2022 : N8.13 billion).

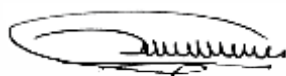
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

As a result of the losses incurred over the years, the shareholders' fund has been totally eroded to the tune of N9.2 billion deficit as at 31 December 2023 for both Group and Company respectively. These conditions, along with other matters set forth in Note 2.3 of this financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

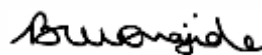
The Directors however are optimistic about the successful resolution of the group's going concern issue. The group holding company has feasible strategy and plan to diversify activities and is reducing cost across the companies in the group. There are key performance indicators on cost monitoring and control. Restructuring of the Group's distribution network for cost effectiveness to increase dealers' margin and sales will bring back the Group to profitability in the near future.

Signed on behalf of the board of directors by:



Sir Sunday M. Nwosu (Chairman)
FRC/2014/PRO/DIR/003/00000006788

Dated: 27th March, 2024



Mr. Oluseyi Onajide
FRC/2013/PRO/DIR/003/00000002194

Dated: 27th March, 2024

CORPORATE RESPONSIBILITY FOR FINANCIAL STATEMENTS

For the year ended 31 December 2023

Certification Pursuant to Section 405(1) of Companies and Allied Matter Act, 2020

Pursuant to S405(1) of the Company's and Allied Matters Act, 2020, we hereby confirm that the Chief Executive Officer and Chief Financial Officer of R.T. Briscoe (Nigeria) PLC have reviewed the audited financial statements and accept responsibility for the financial and other information contained within the annual report. The following certifications and disclosures regarding the true and fair view of the financial statements as well as the effectiveness of the internal controls established within the Group are hereby set out below:

Financial Information

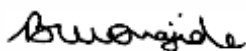
- i) The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading;
- ii) The audited financial statements and all other financial information included in the statements fairly represent, in all material respect, the financial conditions and results of operations of the Group as of and for the period ended 31st December 2023.

Effective Internal Controls

- a) Effective Internal Controls have been designed to ensure that material information relating to the company and its subsidiaries are made known by the relevant staff, particularly during the period in which the audited financial statement report is being prepared.
- b) The effectiveness of the Group's Internal Controls have been evaluated within 90 days prior to 31st December 2023.
- c) The Group's Internal Controls are effective as at 31st December 2023.

Disclosures

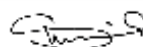
- i. There were no significant deficiencies in the design or operation of Internal Controls which could adversely affect the Group's ability to record, process, summarize and report financial data. Furthermore, there were no identified material weaknesses in the Group's Internal Control systems
- ii. There were no occurrences of fraud events involving Senior Management or other employees who have a significant role in company's internal control
- iii. There were no significant changes in internal controls or other factors that could adversely affect the effectiveness of the internal controls.



Mr. Oluseyi Onajide

Group Managing Director/CEO
FRC/2013/PRO/DIR/003/00000002194

Dated: 27th March, 2024



Mr. Jubril Adetokunbo Shittu

Group Finance Director
FRC/2013/PRO/ICAN/001/00000000728

Dated: 27th March, 2024

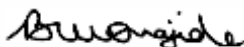
CERTIFICATION OF MANAGEMENT'S ASSESSMENT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Certification Pursuant to Section 11 of SEC Guidance on implementation of Sections 60-63 of ISA Act 2007

To comply with the provisions of Section 11 of SEC Guidance on implementation of Section 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the internal controls of R.T. Briscoe Nigeria Plc for the year ended 31 December 2023.

I Jubril Adetokunbo Shittu, certify that:

- a) I have reviewed this Management assessment on internal control over financial reporting of R.T. Briscoe Nigeria Plc
- b) Based on my knowledge, the report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the Statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;
- d) The entity's other certifying officer and I
 - 1) are responsible for establishing and maintaining internal controls;
 - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - 4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures as of the end of the period covered by this report based on such evaluation.
- e) The entity's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors;
 - 1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information: and
 - 2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- f) The entity's other certifying officer and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

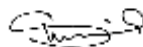


Mr. Oluseyi Onajide

Group Managing Director/CEO

FRC/2013/PRO/DIR/003/00000002194

Dated: 27th March, 2024



Mr. Jubril Adetokunbo Shittu

Group Finance Director

FRC/2013/PRO/ICAN/001/00000000728

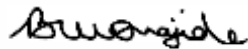
Dated: 27th March, 2024

MANAGEMENT'S ANNUAL ASSESSMENT OF, AND REPORT ON THE ENTITY'S INTERNAL CONTROL OVER FINANCIAL REPORTING

To comply with the provisions of Section 1.3 of SEC Guidance on implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the internal controls of R.T. Briscoe Nigeria Plc for the year ended 31 December 2023.

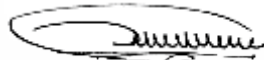
- i.) R.T Briscoe Nig Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.
- ii.) R.T Briscoe Nig Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR.
- iii.) R.T Briscoe Nig Plc's management has assessed that the entity's ICFR as of the end of 31 December 2023 is effective.
- iv.) R.T Briscoe Nig Plc's external auditor Messrs. Crowe Dafinone that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs. Crowe Dafinone that audited its financial statements will be filed as part of its annual report.



Mr. Oluseyi Onajide
Group Managing Director / CEO
FRC/2013/PRO/DIR/003/00000002194

Dated: 27th March, 2024



Sir Sunday N. Nwosu
Chairman
FRC/2014/PRO/DIR/003/00000006788

Dated: 27th March, 2024

REPORT OF THE AUDIT COMMITTEE

For the year ended 31 December 2023

In compliance with the statutory provisions of Section 401 (7) of the Companies and Allied Matters Act 2020, the Rules of The Nigerian Exchange Limited and the Nigerian Code of Corporate Governance 2018 issued by the Financial Reporting Council of Nigeria, the Members of the Audit Committee of R.T. Briscoe (Nigeria) PLC hereby report as follows:

- i. The Committee met in exercise of its statutory functions under Section 404(7) of the Companies and Allied Matters Act of 2020 and we received the cooperation of Management and Staff in the exercise of these responsibilities.
- ii. We exercised due oversight over Management processes towards ensuring that the accounting and reporting policies of the Company are in accordance with legal requirements and ethical practices.
- iii. We deliberated with the External Auditors and received confirmation that all necessary co-operation was received from Management and that they have issued a fair and objective report.
- iv. We confirm that the Company has an adequately resourced independent internal audit unit which discharges its responsibilities effectively.
- v. We are satisfied from our deliberations and reports presented at meetings that Management is pursuing the company's goals and objectives and is taking the necessary steps to preserve the status of the company as a going concern, and also minimize the adverse impact of the outcomes of the Corona virus pandemic on the business activities and financial results of the company.
- vi. In the course of the financial year, R.T. Briscoe (Nigeria) PLC recorded significant business transactions with Toyota Nigeria Limited which is its main supplier of Toyota vehicles and the sole authorized distributor of Toyota vehicles in Nigeria by the manufacturers, the Toyota Motor Corporation of Japan. R.T. Briscoe has a de facto common shareholder with Toyota Nigeria Limited who has significant interests in R.T. Briscoe and therefore an interested person.
- vii. We are satisfied that the methods or procedures for determining transaction prices between R.T. Briscoe (Nigeria) PLC and Toyota Nigeria Limited have not changed since the approval granted by shareholders at the last Annual General Meeting on September 26, 2023; and the methods or procedures are sufficient to ensure that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the company and its minority shareholders.



Mr. Akin Ajayi

FRC/2013/PRO/DIR/003/00000004485
Chairman

Dated: 26th March, 2024

Members:

Mr. Akin Ajayi
Alhaji Ali Safiyanu Madugu, mni
Mr. Kenneth Nwabike Nwosu
Mr. Adeniyi Araunsi Adebisi
Mr. Anthony Kanayo Kachy

INDEPENDENT AUDITOR'S ATTESTATION



INDEPENDENT AUDITOR'S ATTESTATION ON MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

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Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over the financial reporting systems that were put in place by the management of R. T. Briscoe Nigeria Plc were not adequate as of 31st December 2023, having regard to the SEC Guidance on Implementation of Section 60 - 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission together with the requirement of the Financial Reporting Council regulations on this issue.

What we have performed

We have performed an assurance engagement on R. T. Briscoe Nigeria Plc's internal control over financial reporting as of December 31, 2023, based on Financial Reporting Council Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying report by Messers Doyin Owolabi and Co., who act as the internal auditor of the Company. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting controls and systems based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control systems put in place by the management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the bank; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the bank are being made only in accordance with authorizations of management and directors of the bank; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the bank's assets that could have a material effect on the financial statements.

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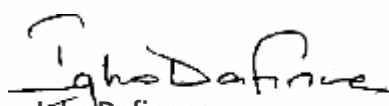
INDEPENDENT AUDITOR'S ATTESTATION



Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements of R. T Briscoe (Nigeria) Plc and our report dated 27th March. 2024, expressed an unqualified opinion.


Igbo Dafinone
Engagement Partner
FRC/2012/ICAN/0000000622
For Crowe Dafinone
Chartered Accountants
27th March, 2024



INDEPENDENT AUDITOR'S REPORT



REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF R. T. BRISCOE (NIGERIA) PLC

Crowe Dafinone

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Opinion

We have audited the consolidated and separate financial statements of R.T. Briscoe (Nigeria) Plc ("the company") and its subsidiaries ("the group") which comprise, the consolidated and separate statements of financial position as at 31st December 2023, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of the changes in equity, the consolidated and separate statements of cash flows for the year then ended, and the notes to the financial statements, which include a summary of the significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the company and its subsidiaries as at 31st December 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows from the year then ended and are in accordance with the International Financial Reporting Standards as set out in the manner required by the Financial Reporting Council of Nigeria Act, 2011, the Companies and Allied Matters Acts 2020, the Investment and Securities Act together with the relevant guidelines and the listing requirements of the Nigerian Stock Exchange.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated and separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Independence

We are independent of the company and its subsidiaries in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our ethical responsibilities in accordance with the IFSBA Code.

Emphasis of matters

Material uncertainty relating to going concern

Without qualifying our opinion, we draw attention to page 48 of these consolidated and separate financial statements, which sets out that the statement of financial position as at 31st December 2023 discloses net liabilities of N 9.2 billion (2022: N 7.9 billion) for the group and N9.2 billion (2021: N 8.1 billion) for the company. Included in these liabilities is N 12.9 billion (2022: N 12.1 billion) which relate to the amounts owed to various banks. The ability of the company to continue as a going concern is dependent on the settlement of these debts. We draw attention to note 2.3 of these financial statements which indicate the steps that have and are currently been taken by the management of the group to resolve the issues.

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INDEPENDENT AUDITOR'S REPORT



Key audit matters

Key audit matters were those matters that, in our professional judgment, were of the most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the emphasis of matters section, we have determined the matters described below to be a key audit matter to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>(a) Revenue recognition</p> <p>The primary determinant and key performance indicators of performance is revenue generated given the nature of its business. The significance makes revenue a matter of focus in our audit.</p> <p>Refer to significant accounting policies (Note 4.11) and revenue on (Note 8) of the consolidated and separate financial statements.</p>	<p>We have reviewed the documentation and tested the accounting systems and internal controls pertaining to the processing and delivery of goods and services, the receipt and recording of the contractual income in respect of such revenue. The result of the tests provided sufficient evidence that reliance could be placed on such systems.</p> <p>We reviewed the accounting policies of the company in respect of the recognition and disclosure of the turnover derived through the principal activity to ensure the revenue recognised and disclosed gave a true and fair record of such revenue.</p> <p>We have also obtained written representation from management, particularly confirming that the override of the system by management did not occur. We have accordingly placed reliance on these systems.</p> <p>We carried out substantive tests in respect of the revenue and the trade receivables that existed as at the reporting date and obtained written confirmation from the related parties on the volume and value carried out through these related parties. We also confirm that the sales to related parties were at arm's length and all the revenues that was earned met the requirements of IFS 15 and other relevant standards.</p> <p>We evaluated whether revenue transactions occurring both prior and post the year end date were recognised in the correct period.</p> <p>No evidence of any error or misstatement in respect of amounts disclosed as revenue or the related debts came to our notice.</p>

INDEPENDENT AUDITOR'S REPORT



Key audit matter	How our audit addressed the key audit matter
<p>(b) Impairment of trade receivables</p> <p>The company is exposed to credit risk arising from the company's receivables.</p> <p>The ECL model used in the calculation of any impairment for long-term overdue credits requires significant management judgments.</p> <p>Trade and other receivables are significant to this company as they account for about that 28% of the total assets value and 61% of the current asset value.</p> <p>Refer to significant accounting policies (Note 4.8), and Trade and other receivables (Note 21) of the consolidated financial statements.</p> <p>The ECL model involves the application of considerable level of judgement and estimation in determining inputs which are derived from historical records obtained within and outside the group into a complex financial model. The Group considered the following in determining the inputs for the ECL. model.</p> <ul style="list-style-type: none"> • Determining criteria for assigning the Probability of Default rates (PO Rates). • Assessing the relationship between the quantitative factors such as defaults and qualitative factors such as macro-economic variables. • The Group incorporates forward-looking information in the model building process. • Factors incorporated in determining the Probability of Default (PO). • Factors considered in cash flow estimation including rate of recovery for customers. 	<p>We evaluated and tested the accounting principles underlying revenue recognition which form the basis for the recognition of trade receivables.</p> <p>We evaluated the model used to calculate the recoverable amounts to check if it complies with the requirements of IFS 9 and if it is in agreement with our understanding of the client's business, the industry in which the Group operates, and the reasonableness of the assumptions used.</p>

INDEPENDENT AUDITOR'S REPORT



Key audit matter	How our audit addressed the key audit matter
<p>(e) Borrowings</p> <p>Bank overdrafts at 31st December 2023 stood at N12.9 billion (2022: N12.1 billion). The company has not been able to repay the bank overdrafts, and this has led to winding up case by one of the banks. Included in these overdrafts, is an amount of N 4.6 billion, which was taken over by Assets Management Corporation of Nigeria (AMCON) in 2018. In 2021, AMCON restructured this indebtedness leading to a waiver of N2.36 billion to the company.</p> <p>This amount has been recognised as deferred income in these financial statements.</p>	<p>We reviewed pending legal winding-up cases against the company.</p> <p>We reviewed and ensured that accrued interest charges are not materially misstated;</p> <p>We reviewed bank overdrafts reconciliations noting outstanding reconciling items and how they were dealt with in the book;</p> <p>We reviewed the Agreements precedent to granting the waiver and Terms of Settlement with AMCON to ensure compliance.</p>

Other information

The directors are responsible for the other information. The other information comprises the Directors* Report, Corporate Governance Report, Statement of Corporate Responsibility for Financial Reports, Statement of Directors' Responsibilities and Report of the Audit Committee, which we obtained prior to the date of this audit report and Corporate Profile, Governance and Chairman's Statement which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work that we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Corporate Profile, Governance and Chairman's Statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with the International Financial Reporting Standards in the manner required by the Financial Reporting Council of Nigeria Act, 2011 and the requirements of the Companies and Allied Matters Act and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT



In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Their attestation in respect to their duties is enclosed on pages 37 and 38. We have reviewed the procedures carried out by the management of the company and our report is as set out on pages 40 and 41.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act and the Financial Reporting Council Act require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company and its subsidiaries have kept proper books of account, so far as appears from our examination of those books;
- iii) the Group's consolidated and separate statement of financial position, and consolidated and statement of comprehensive income are in agreement with the books of account.


Igbo Dafinone
Engagement Partner
FRC/2012/ICAN/0000000622
For Crowe Dafinone
Chartered Accountants
27th March 2024

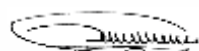


CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

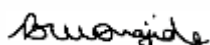
As at 31 December 2023

	Notes	The Group		The Company	
		2023	2022	2023	2022
		N'000	N'000	N'000	N'000
Assets					
Non-current assets					
Property, plant and equipment	17	4,638,894	4,791,624	4,617,059	4,758,540
Intangible assets	18	2,706	236	16	236
Other receivables	21	1,036,148	501,376	996,638	474,123
Investment in subsidiaries	19	-	-	155,501	155,501
		5,677,748	5,293,236	5,769,214	5,388,400
Current assets					
Inventories	20	2,377,720	860,261	2,304,771	757,207
Inventories under development	20.1	227,179	108,091	-	-
Trade and other receivables	21	1,811,413	2,556,103	1,567,759	2,222,351
Other current assets	22	62,630	44,478	57,630	32,631
Cash and cash equivalents	23	450,000	382,129	360,636	342,485
		4,928,942	3,951,062	4,290,796	3,354,674
Total assets		10,606,690	9,244,298	10,060,010	8,743,074
Current liabilities					
Trade and other payables	30	3,860,494	2,444,212	3,324,079	2,112,772
Current tax payable	15.2	118,318	144,634	92,121	118,869
Bank overdraft	23.1	12,991,854	12,102,491	12,991,854	12,102,491
Deferred income	23.2	2,362,392	2,362,392	2,362,392	2,362,392
Borrowings	24	460,133	137,885	460,133	137,885
		19,793,191	17,191,614	19,230,579	16,834,409
Net current liabilities		(14,864,249)	(13,240,552)	(14,939,783)	(13,479,735)
Non-current liabilities					
Deferred tax liability	15.4.2	39,383	39,383	34,398	34,399
Defined benefit plan	29	21,939	8,850	21,939	8,850
Total non-current liabilities		61,322	48,233	56,337	43,249
Net liabilities		(9,247,823)	(7,995,550)	(9,226,906)	(8,134,585)
Equity					
Ordinary shares	25.2	588,177	588,177	588,177	588,177
Share premium	26	409,862	409,862	409,862	409,862
Revaluation reserves	27	3,174,364	3,174,364	3,174,364	3,174,364
Accumulated loss	28	(13,420,226)	(12,167,953)	(13,399,309)	(12,306,988)
Equity attributable to equity holder of the parent		(9,247,823)	(7,995,550)	(9,226,906)	(8,134,585)
Total equity		(9,247,823)	(7,995,550)	(9,226,906)	(8,134,585)

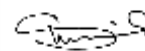
These consolidated and separate financial statements were approved by the Board of Directors on 27th March 2024 and signed on its behalf by:



Sir. Sunday Nnamdi Nwosu
FRC/2014/PRO/DIR/003/00000006788
Chairman



Mr. Oluseyi Onajide
FRC/2013/PRO/DIR/003/00000002194
Group Managing Director/CEO



Mr. Jubril Adetokunbo Shittu
FRC/2013/PRO/CAN/001/00000000728
Group Finance Director

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

		The Group		The Company	
	Notes	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Continuing operations					
Revenue	8	14,592,325	17,883,014	13,664,037	16,781,334
Cost of sales	9	(11,557,160)	(13,746,181)	(11,104,467)	(13,193,763)
Gross profit		3,035,165	4,136,833	2,559,570	3,587,571
Other income	10	396,698	322,005	503,720	419,072
Selling & Distribution expenses	12.4	(724,995)	(973,574)	(687,351)	(922,888)
Administrative expenses	12.4	(2,328,080)	(2,400,712)	(1,888,856)	(2,024,301)
Operating profit		378,788	1,084,552	487,083	1,059,454
Net finance costs	13	(1,332,548)	(838,672)	(1,306,528)	(829,829)
(Loss) / Profit before taxation		(953,760)	245,880	(819,445)	229,625
Tax expense	15.1	(289,030)	(122,526)	(263,393)	(117,338)
(Loss) / Profit for the year from continuing operations		(1,242,790)	123,354	(1,082,838)	112,287
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Re-measurement loss on defined benefit plans	29.2	(9,483)	(11,880)	(9,483)	(11,880)
Other comprehensive (loss) / income for the year		(9,483)	(11,880)	(9,483)	(11,880)
Total comprehensive (loss) or profit for the year		(1,252,273)	111,474	(1,092,321)	100,407
Total (Loss) or Profit attributable to:					
Equity holders of the parent		(1,242,790)	123,354	(1,082,838)	112,287
		(1,242,790)	123,354	(1,082,838)	112,287
Total comprehensive (loss) or profit attributable to:					
Equity holders of the parent		(1,252,273)	111,474	(1,092,321)	100,407
(Loss) / profit for the year		(1,252,273)	111,474	(1,092,321)	100,407
(Loss) / profit per share from continuing operations:					
Basic/diluted (loss) / profit per share (Naira)	16	(1.06)	0.10	(0.92)	0.10

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated and separate financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Issued share capital N'000	Share premium N'000	Accumulated Loss N'000	Revaluation reserves N'000	Total N'000
Attributable to equity holders of the Group					
At 1 January 2022	588,177	409,862	(12,279,427)	3,174,364	(8,107,024)
Profit for the year	-	-	123,354	-	123,354
Re-measurement loss on defined benefit plans	-	-	(11,880)	-	(11,880)
Total comprehensive profit	-	-	111,474	-	111,474
At 31 December 2022	588,177	409,862	(12,167,953)	3,174,364	(7,995,550)
As at 1st January 2023	588,177	409,862	(12,167,953)	3,174,364	(7,995,550)
Loss for the year	-	-	(1,242,790)	-	(1,242,790)
Re-measurement loss on defined benefit plans	-	-	(9,483)	-	(9,483)
Total comprehensive (loss) / profit	-	-	(1,252,273)	-	(1,252,273)
At 31 December 2023	588,177	409,862	(13,420,226)	3,174,364	(9,247,823)

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated and separate financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Issued share capital N'000	Share premium N'000	Accumulated Loss N'000	Revaluation reserves N'000	Total N'000
Attributable to equity holders of the Company					
At 1 January 2022	588,177	409,862	(12,407,395)	3,174,364	(8,234,992)
Profit for the year	-	-	112,287	-	112,287
Re-measurement loss on defined benefit plans	-	-	(11,880)	-	(11,880)
Total comprehensive profit	-	-	100,407	-	100,407
At 31 December 2022	588,177	409,862	(12,306,988)	3,174,364	(8,134,585)
At 1 January 2023	588,177	409,862	(12,306,988)	3,174,364	(8,134,585)
Re-measurement loss on defined benefit plans	-	-	(9,483)	-	(9,483)
Loss for the year	-	-	(1,082,838)	-	(1,082,838)
Total comprehensive (loss) / profit	-	-	(1,092,321)	-	(1,092,321)
At 31 December 2023	588,177	409,862	(13,399,309)	3,174,364	(9,226,906)

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the year ended 31 December 2023

	Notes	Group		The Company	
		2023 N'000	2022 N'000	2023 N'000	2022 N'000
Cash flows from operating activities					
(Loss) / Profit for the year		(1,242,790)	123,354	(1,082,838)	112,287
Adjustment for:					
Depreciation of property, plant and equipment	17	60,826	59,196	48,402	50,347
Finance income	13.1	(7,768)	(4,439)	(33,788)	(4,439)
Finance cost	13.2	107,547	110,614	107,547	110,614
Profit on disposal of property, plant and equipment	10	(119,995)	(21,005)	(119,995)	(12,356)
Profit on disposal of investment property	10	-	(20,240)	-	-
Employee benefit plan charged	29	12,284	10,667	12,284	10,667
Amortisation of Intangible assets	18	756	221	219	220
Return on planned assets	29	(6,583)	(5,039)	(6,583)	(5,039)
Adjustment for impairment of trade receivable	21.1	-	8,277	-	7,614
Income tax expenses	15	289,030	122,526	263,393	117,338
		(906,693)	384,132	(811,359)	387,253
Changes in:					
Increase in inventories		(1,517,459)	(184,253)	(1,547,564)	(122,054)
Increase in inventories under development		(119,088)	(108,091)	-	-
(Increase) / decrease in trade receivables		741,463	297,276	654,592	678,310
(Increase) / decrease in other receivables		(534,772)	9,776	(522,515)	28,304
(Increase) / decrease in other current assets		(18,152)	69,478	(24,999)	70,281
Increase / (decrease) in trade and other payables		1,416,282	(78,565)	1,211,307	(531,549)
Cash used in operating activities		(938,419)	389,753	(1,040,537)	510,545
Movement in employee benefit plan	29	(2,096)	(1,327)	(2,096)	(1,327)
Income taxes paid	15.2	(315,345)	(48,328)	(290,141)	(44,915)
Net cash used in operating activities		(1,255,860)	340,098	(1,332,774)	464,304
Purchase of property plant and equipment	17	(63,201)	(153,821)	(62,026)	(124,512)
Proceeds from sale of investment property		-	124,500	-	-
Proceeds from sale of property, plant and equipment		275,100	21,005	275,100	12,356
Addition to investment property		-	(13,008)	-	-
Net cash from investing activities		211,899	(21,324)	213,074	(112,156)
Finance cost	13.2	(107,547)	(110,614)	(107,547)	(110,614)
Finance income	13.1	7,768	4,439	33,788	4,439
Movement in LPO financing facility	24	322,248	(712,003)	322,248	(712,003)
Net cash from financing activities		222,469	(818,178)	248,489	(818,178)
Net decrease in cash and cash equivalents		(821,492)	(499,404)	(871,211)	(466,031)
Cash and cash equivalents at 1 January		(11,720,362)	(11,220,959)	(11,760,006)	(11,293,975)
Cash and cash equivalents at 31 December	23	(12,541,854)	(11,720,362)	(12,631,218)	(11,760,006)

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. The reporting entity

1.1. Legal form

R.T. Briscoe (Nigeria) PLC (the 'Company') is domiciled in Nigeria. The Company was incorporated in Nigeria as a limited liability company on 9 March 1957 and became a public limited liability company in 1973. The Company's registered office is at 18, Fatai Atere Way, Matori, Oshodi, Lagos State. This set of financial statements comprise the Company and its subsidiaries (collectively 'the Group' and individually 'Group companies').

1.2. Principal activity

The Group is primarily engaged in the sales and servicing of Toyota and Ford motor vehicles, technical equipment (including forklifts, industrial compressors, mining and drilling equipment and generating sets), facility management, property development and leasing of property.

2. Basis of preparation

2.1. Statement of compliance with IFRSs

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), and in compliance with Financial Reporting Council of Nigeria Act No 6 2011. Additional information required by national regulations has been included where appropriate.

The consolidated financial statements comprise of the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the statement of changes in equity, the consolidated statement of cashflows and notes to the financial statements.

2.2. Basis of measurement

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial instruments measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates, it also requires management to exercise its judgment in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the Group's financial statements present the financial position and results fairly.

2.3. Going concern status

As at 31 December 2023, the Group's current liabilities exceeded its current assets by N14.86 billion (2022 : N13.24 billion) and the Company by N14.94 billion (2022 : N13.48 billion), while Group total liabilities exceeded its total assets by N9.2 billion (2022 : N8.0 billion) and the Company by N9.2 billion (2022 : N8.13 billion). As a result of the losses incurred over the years, the shareholders' fund has been totally eroded to the tune of N9.2 billion deficit as at 31 December 2023 for both Group and Company respectively. These conditions, along with other matters set forth below, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

2.3.1 Suit No. FHC/L/CR/780/2016 (winding up petition between Diamond Bank Plc v. R.T. Briscoe Nigeria Plc)

In 2016, one of the Company's bankers, Diamond Bank Nigeria Plc (DBN) petitioned the Federal High Court Lagos to wind up the company on the basis that the Company was unable to liquidate and/or offset the various facilities granted to it by the bank.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

Simultaneous with the issuance of the petition aforesaid, the Bank applied for (and obtained) an Ex-parte order to restrain the Company from dealing with its properties and /or withdrawing any of its funds with the Bank and other financial institutions in Nigeria.

Upon service of the said order on the Company, the Company instructed the law firm of A.B.Sulu-Gambari & Co. to defend its interests and get the Ex-Parte Order vacated on the ground that the Company was servicing its debts till May 2016, a material fact which the Bank failed to disclose to the court in obtaining the order.

The firm applied to court on 22/06/2016 to set aside the Ex-Parte Order of 13/06/2016 as the Bank suppressed material facts in obtaining the said Order. The Application was heard on 08/07/2016 when the court ruled in the Company's favour and set aside the Ex-Parte Order for non-disclosure of material facts amongst others.

The Bank claims it is owed a total sum of N3,339,393,807.59 (Three Billion, Three Hundred and Thirty-Nine Million, Three Hundred and Ninety-Three Thousand, Eight Hundred and Seven Naira Fifty-Nine Kobo) by the Company.

Further to the above, other parties including United Bank for Africa, Guaranty Trust Bank, Polaris (Skye) Bank, First Bank, FSDH Merchant Bank and Federal Inland Revenue Service applied to the court as interested parties, alleging to be creditors to the Company for various amounts which are being disputed by the Company.

Petition for appointment of Liquidator/Receiver

In 2018, an application was placed before the court by First Bank of Nigeria Limited and Diamond Bank Nigeria Plc (DBN) for the appointment of a provisional liquidator and an Interim Official Receiver respectively. These applications were dismissed as lacking merit by the Federal High Court on 11 June 2018.

Status of the matter as of date

The Bank and the Company have filed their respective final written addresses. When the matter came up in court on 21/01/2019, the Judge informed the parties that he had been transferred to another Judicial Division consequent upon which the matter would start afresh before a new Judge.

The matter commenced before the new Judge and was set down for hearing of the petition and other applications on 04/06/2019, but the Court was unable to sit on the said date.

However, the Bank filed an Application dated 23/05/2019 seeking to discontinue the matter in its entirety. Although, the Company's legal team is not opposing the application, but a counter Affidavit on the ground that the proper order the court should make in the circumstances is that of dismissal of the petition and not striking out. The Firm further prayed the court to grant substantial costs of N50 million in favour of the Company.

Subsequently, one of the alleged creditors, Polaris Bank (formerly Skye Bank), filed an application dated 03/06/2019 seeking to be substituted as the Bank in place of Diamond Bank.

In response, Diamond Bank filed a counter Affidavit dated 18/06/2019 and Polaris Bank filed its reply on points of law dated 27/06/2019.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

On October 15, 2019, the matter again came up before the Federal High Court sitting at Ikoyi. At this sitting of the court, Diamond Bank informed the court of its intention to withdraw its application to discontinue the petition. The matter was subsequently adjourned till November 2019 for the hearing of all pending applications.

The matter came up in court on 28/11/2019 for hearing of all pending applications, Diamond Bank Nigeria Plc withdrew the aforesaid application to discontinue and subsequently moved the application for change of name from Diamond Bank to Access Bank.

The matter was adjourned to 21/01/2020 for hearing of the petition.

When the matter came up in January 2020, the court having heard the substantive winding up petition, adjourned the matter till February 27, 2020 for final judgement. Prior to the adjournment however, Asset Management Corporation of Nigeria (AMCON), having taken over the debts and liabilities of Polaris Bank (one of the creditors banks) had in exercise of its statutory powers appointed a Receiver for the company. AMCON through its Lawyer, filed an application in the Winding Up petition, praying the court to be joined as a party. This application was heard by the court on March 19, 2020, and adjourned till April 24, 2020 for ruling on AMCON's application to be joined as a party and/or judgment on the substantive petition. AMCON filed a motion to be joined as a party in the suit. Arguments on the application has been taken alongside the substantive suit. As at date, we await the ruling of the court on the application filed by AMCON for joinder and the judgment in the main suit.

2.3.2 Suit No. I.D./3761/2018 (GTB Plc v. R.T. Briscoe Nigeria Limited)

Guaranty Trust Bank Plc ("GTBank") seeks to recover principally the sum of N185,274,562.54 (One Hundred and Eighty-Five Million, Two hundred and Seventy Four Thousand, Five Hundred and Sixty Two Naira, Fifty-Four Kobo) from R.T. Briscoe Nigeria Limited ("the Company"). In response, the Company has filed a complete Defence against the claim along with a counterclaim against GTBank to recover from GTBank for the sum of N3,096,943,226.00 (Three Billion, Ninety Six Million, Nine Hundred and Forty Three Thousand, Two Hundred and Twenty Six Naira).

Status of the matter as of date

The matter was referred for mediation at the Multi Door Court House of Lagos, however all efforts by the mediator at the Multi Door Court House of Lagos to amicably resolve the impasse between parties were unsuccessful. The Receiver had also made spirited attempts to reconcile parties, but to no avail. The matter was therefore sent back to the regular court for adversarial adjudication. However due to lack of diligent prosecution, the court struck out the matter but same was relisted. We are yet to be served with a copy of the hearing notice.

- 2.3.3 The above conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. In order to address this, the Directors have over the last couple of years commenced the implementation of a number of strategic measures aimed at returning the Company to profitability and a healthy financial position, some of which have started yielding positive results.

These measures are as follows:

Business Restructuring: Following the restructuring exercise carried out by the Board and Management of the company in 2017 meant to reposition the operating entities within the group for operational efficiencies, the group has continued to record commendable growth in turnover, with a Cumulative average growth rate CAGR of 36% recorded over the six years.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

The group has also had six consecutive years of reporting operational profits from 2018 to 2023. Our various businesses' results have shown that with the right structure of working capital, they can deliver satisfactory returns as they continue to thrive under harsh circumstances.

It is also gratifying to note that our major suppliers, both local and foreign, have continued to reaffirm their confidence in the business prospects of our company through their staunch support. Despite the precarious position of the company, we still retain the dealership licenses of our Major Original Equipment suppliers – Toyota Nigeria Limited and Elgi Air Compressors in India which are the primary sources of our revenue earning potential and competitive advantage.

Recapitalisation: The Company has been actively exploring the raising of additional capital of N10billion pursuant to the approval by the shareholders at two separate AGMs in 2014 and subsequently in 2016, which authorized the Board to raise up to N10 billion by way of equity, debt capital or a combination of both to recapitalize the Company. To actualize this, the Directors retained the services of Lead Capital Plc as financial advisers, to identify potential investors and facilitate the recapitalization exercise.

Also, Messrs. Dunn Loren Merrifield Advisory Partners (DLM) was in 2019 engaged by the Directors as Investment Advisers, with the mandate to assist in the recapitalization drive. DLM has developed and recommended a rather innovative Recapitalization Scheme. The scheme involves the institution of a money market fund with a life span of about 12-18 months, where existing shareholders of the Company and other interested investors may subscribe to units of the offer by making single lump sum payment or commit to pay in instalments. A share conversion exercise involving the shares of the Company would subsequently be consummated after the termination of the fund.

We have now reached an advanced stage in bringing to life this Special Purpose money market scheme, with the official launch of the Fund on March 27, 2024. As previously disclosed, the approval of the Security and Exchange Commission (SEC) has been obtained for the Fund, named as R.T. BRISCOE SAVINGS AND INVESTMENT FUND, with an initial offer of 1,000,000 units of N1,000.00 each amounting to N1 billion registered and approved by Security and Exchange Commission (SEC). We are now at the stage of commencing the marketing of the fund to prospective investors, which will be concluded within the third quarter of 2024. It is our conviction that this scheme will be successful and will lead to the recapitalisation of the company and enable us to refinance the company's existing debts, finance start-up of new businesses and enhance working capital.

Winding-Up Petition and Outstanding Debts: Diamond Bank PLC (now Access bank) instituted an action at the Federal High Court in Lagos for the winding up of the company based on our indebtedness to the bank. The case has been pending in Court since June 2016 due to the various interlocutory applications before the Court and several adjournments.

The matter had been set down for judgement but when it came up on March 19, 2020, the court was notified by lawyers representing AMCON that an application had been filed seeking to have AMCON joined as a party to the suit, Access Bank informed the court that it had filed a counter-affidavit in opposition to AMCON's application. FBN also informed the court that it had filed it's a counter-affidavit also opposing AMCON's application and seeking to be substituted as petitioner in the suit. The matter was subsequently adjourned to April 24, 2020. Due to the COVID 19 pandemic, we are yet to get any hearing notice from the court till date.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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It is worthy of note that under the AMCON Act, no action, suit or proceedings, including any judgement enforcement proceeding can be commenced or maintained against a debtor company or the receiver or in relation to receiver's management of the affairs of the debtor company and all claims, actions, suits or proceedings, including judgement enforcement proceedings against the debtor company or receiver stands automatically suspended and stayed for one year; and at the expiration of the one year, for a further one year upon application to the court in this regard.

In the light of the above, the winding-up petition by Diamond Bank (now Access bank) and outstanding debts to other creditor banks no longer pose any immediate threat to the going concern status of the company.

Appointment of Receiver by AMCON: During the year ended 31 December 2023, Dele Oye, Esq appointed by Asset Management Corporation of Nigeria (AMCON), continued to act as the Receiver to the company, working hand in hand with the management and Board of the Company in the task of restoring the financial stability of the company.

The Receiver has been able to use his clout to recover some significant sums of money in receivables, which were hitherto proving difficult, thereby helping to improve the company's working capital position.

Negotiation with AMCON and other Creditor Banks for Balance Waiver: Following negotiations, the company in 2021 secured from AMCON a waiver of 57% of the balance owed to the Corporation, with an amount of N2billion payable over a two years' period agreed in full and final settlement of our liabilities to the Corporation. A Terms of Settlement in respect of this was executed by the company and AMCON and filed in Court, as a consent judgement as required by one of the conditions precedent to the waiver, contained in AMCON's offer letter dated 9th September 2021.

Following this agreed waiver by AMCON, the Management and Receiver have commenced negotiations with all the other creditor banks of the company for the same percentage waiver of the balances allegedly owed to them. Progress is being made in this direction, and when concluded, this will automatically turn the Company's negative financial position to positive

The future of our company lies in its ability to reposition itself and chart a profitable course in the very competitive auto industry which currently accounts for over 70% of our business activities. We are currently also focusing on and developing our technical and real estate businesses which have shown promising prospects over the years but have had restricted growth due to limited working capital. Our company holds licenses for the assembling of motor vehicles and generators in Nigeria and in this regard, we are currently reinforcing our relationship with BYD, a global leader in electric automobiles, metro transportation and alternative energy with whom we recently executed a new MOU. The expected recapitalization of the company will give the needed impetus for the desired growth of our various business activities.

- 2.3.4** The Directors believe that the above on-going actions and plans will be successful, and remain convinced of the validity of the going concern assumption of the Company. Accordingly, the financial statements have been prepared on the basis of accounting policies applicable to a going concern.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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2.4 Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates, it also requires management to exercise its judgment in the process of applying the group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the group's consolidated financial statements present the financial position and results fairly.

2.5 Functional and presentational currency

The financial statements are presented in Naira, which is the Company's presentational currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency).

3. Adoption of new and revised standards

3.1 New and amended IFRS Standards that are effective for the current year

In the current year, the Company has not applied any amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2023.

3.2 New and revised IFRS / IFRIC's affecting amounts reported and / or disclosures in the financial statements

Below are the Standards, amendments and interpretations which are effective 1 January 2023 together with the assessment of their impact on the Group's consolidated financial statements.

- IFRS 17 Insurance contracts
- IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.
- IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects.

The implementation of the Standard had no material impact on the entity's processes, systems and financial statements.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Amendments to IAS 12 Income Taxes - International Tax reforms - Pillar Two Model Rules
The Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules publish law that implements qualified domestic minimum topup taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would recognize information about deferred tax assets and liabilities related to Pillar Two income taxes. This has no material impact on the Group Financial Statements.

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Amendments to IAS 12 Income Taxes — Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
- Right-of-use assets and lease liabilities
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgments - Disclosure.

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

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This has no material impact on the Group Financial Statements.

New and revised IFRSs in issue but not yet effective

IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

Amendments to IAS 1 Non Current Liabilities with Covenants

Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements.

Amendments to IAS 1 Classification of Liabilities as Current or Non-Current.

IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture. The effective date of the amendments is yet to be set by the IASB; however, earlier application of the amendments is permitted.

The Directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Company's financial statements.

Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. As part of the amendments, the IASB amended an illustrative example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability. The effective date of the amendment is for years beginning on or after 1 January 2024. These amendments are not expected to have a material impact on the Group.

Amendments to IAS 7 - Statement of Cash flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

The amendments introduce two new disclosure objectives – one in IAS 7 and another in IFRS 7 – for an entity to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the entity's liabilities and cash flows, and its exposure to liquidity risk.

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Transparency is expected under existing IFRS Accounting Standards. However, the amendments introduce specific requirements for entities to provide the information users need.

The effective date of the amendment is for years beginning on or after 1 January 2024.

Amendments to IAS 1 Presentation of Financial Statements — Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted.

The Directors of the company do not anticipate that the application of the amendments in the future will have an impact on the company's financial statements.

4. Summary of material accounting policies

The significant accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, unless otherwise stated.

4.1. Basis of consolidation

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see (a)(ii) below). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see (f) below). Any gain on a bargain purchase is recognised in profit or loss immediately.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Separate disclosure is made for non-controlling interest.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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iii) Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv) Loss of control

On the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

v) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated on consolidation.

4.2 Foreign currency transactions

Transactions in foreign currencies are translated and recorded in Naira at the actual exchange rates as of the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into naira at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into Naira at the exchange rate when the fair value was determined. Non-monetary items that are measured on historical cost in foreign currency are translated using the exchange rate at the dates of the transactions. Foreign currency differences are generally recognised in profit or loss.

4.3 Share capital

The Company has only one class of shares, ordinary shares. Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Where the Group or any member of the Group purchases the Group's share capital, the consideration paid is deducted from the shareholders' equity and held in a separate 'reserve for own shares' account until they are cancelled or disposed. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity.

Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve. The use of the share premium account is governed by S.120(3) of CAMA. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time.

4.4 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses except as indicated in note (iv) below. Cost includes expenditure that is directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to a working condition for their intended use.

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

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

ii). Derecognition of Property, plant and equipment

An item of property, plant and equipment is derecognized upon disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are recognised as a part of the cost of that asset.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

iv) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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

Leasehold land	- Unlimited
Buildings	- 100 years
Plant & Machinery	- 6.7 years
Furniture & Fittings	- 6.7 years
I.T Equipment	- 3.3 years
Motor Vehicles	- 4 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate, with the effect of changes in estimate is accounted for on a prospective basis.

During the year, the Company reviewed the estimated useful life of its buildings to 100 years as against Leasehold period used in the comparative period, based an assessment carried out by a professional firm of structural engineers on one of its oldest buildings, in conjunction with Lagos State Material Testing Agency. This is also premised on the fact that Leasehold periods for lands upon which the buildings are sitting are considered unlimited. The new estimate has been applied prospectively inline with the provisions of IAS 8.

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

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(iv) Revaluation of Property plant and equipment

With effect from 31 December 2014, the Group adopted the revaluation model for its land and building asset category of its property plant and equipment. After recognition, land and building whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

When an item of property, plant and equipment is revalued, the carrying amount of that asset is adjusted to the revalued amount. At the date of the revaluation, the accumulated depreciation is eliminated against the gross carrying amount of the asset.

- If an asset's carrying amount is increased, the increase shall be recognised in other comprehensive income and accumulated in equity in "revaluation surplus". However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.
- If an asset's carrying amount is decreased, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The effects of taxes on income, if any, resulting from the revaluation of property, plant and equipment are recognised and disclosed as appropriate.

4.5. Intangible assets

i) Recognition and measurement

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. The Company's intangible assets with finite useful lives comprise acquired computer software. The estimated useful lives for the current and comparative years is 5 years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

An intangible asset is derecognized upon disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected from the disposal.

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4.6 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The basis of costing is as follows:

Motor Vehicles - Purchase cost on a specific item identification basis including transportation and clearing cost.

Spares and industrial equipment - Purchase cost on a weighted average basis including transportation and clearing costs.

Property Units - Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as property units. This would normally comprise expenditure incurred in acquiring the properties, production or conversion costs and other costs incurred in bringing them to their existing location and condition and are subsequently measured at the lower of cost and net realizable value.

4.7 Construction work in progress

Construction work-in-progress represents accumulated cost of ongoing real estate projects and is measured using the cost model on the basis of a valuation by an independent valuer. Borrowing costs that are directly attributable to work-in-progress and other directly attributable expenditure are capitalised to work in progress when it is probable that they will result in future economic benefits on completion of the project. To the extent that loans and borrowings are specifically used for the purpose of the work in progress, the amount of borrowing costs eligible for capitalisation is determined as the borrowing costs incurred on the loans and borrowings (measured at amortised cost) during the year less any investment income on the temporary investment of those borrowings.

4.8 Financial instruments

Financial instruments carried at state of financial position date include the loans and receivables, cash and cash equivalents and borrowings. Financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured as described below:

4.8.1 Financial assets

The Company classifies its financial assets into the following categories: Financial assets at fair value through profit or loss, at fair value through OCI or at amortised cost. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

a) Financial assets at fair value through profit or loss

A financial asset is classified into the 'financial assets at fair value through profit or loss' category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management. Derivatives are also classified as held for trading unless they are designated as hedges.

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b) Financial assets at fair value through other comprehensive income

Financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

c) Financial assets carried at amortised cost

The Company assesses at each end of the reporting period whether there is objective evidence that a financial asset or company of financial assets is impaired. A financial asset or company of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the group about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation.

The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

4.8.2 Derecognition of financial assets

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or where the company has transferred substantially all risks and rewards of ownership. Any interest in the transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

4.8.1.1 Impairment of financial assets

4.8.1.2 Overview of the ECL principles

The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its trade receivables, equity instrument and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

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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. Equity instruments are not subject to impairment under IFRS 9.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4.8.1.3 Credit-impaired financial assets

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt instruments carried at FVOCI are credit-impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following:

- there is significant financial difficulty of a customer (potential bad debt indicator);
- there is a breach of contract, such as a default or delinquency in interest or principal payments;
- the Company, for economic or legal reasons relating to the Customer's financial difficulty, granting to the Customer a concession that the Company
- it becomes probable that a counterparty/Customer may enter bankruptcy or other financial reorganisation;
- there is the disappearance of an active market for a financial asset because of financial difficulties; or
- observable data indicates that there is a measurable decrease in the estimated future cash flows from a Company of financial assets.
- the financial asset is 360 days and above past due.

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A trade receivable debt that has been renegotiated due to a deterioration in the Customer's financial condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a trade receivable that is overdue for 90 days or more is considered impaired.

4.8.1.4 Presentation of allowance for ECL

Trade receivable allowances for ECL are presented in the consolidated statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: the loss allowance is recognised as a provision, and
- debt instruments measured at FVOCI: no loss allowance is recognised in the consolidated statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.

4.8.1.5 Write-off

The Company writes off financial assets, in whole or part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity and where the Company's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

4.8.2 Financial liabilities

4.8.2.1 Initial recognition and measurements

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.9 Provisions and Contingent liabilities

Provisions

A provision is recognised if, as a result of a past event, the Group 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 the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognized as liabilities in the statement of financial position.

If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

4.10 Employee benefits

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

ii) Post employment benefits

a. Defined contribution plans

A defined contribution plan is a post-employment benefit plan (pension fund) under which the Group/Company pays fixed contributions into a separate entity. The Group/Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

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In line with the provisions of the Pension Reform Act 2014, the Group has instituted a defined contribution pension scheme for its permanent staff. Staff contributions to the scheme are funded through payroll deductions while the Group/Company's contribution is recognised in profit or loss as employee benefit expense in the periods during which services are rendered by employees.

Employees contribute 8% of their Basic salary, Transport and Housing Allowances to the Fund on a monthly basis. The Group's contribution is 10% of each employee's Basic salary, Transport & Housing Allowances for all employees.

b. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods, discounting that amount.

The discount rate is the yield at the reporting date on Federal Government bonds, that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency (Naira) in which the benefits are expected to be paid.

The calculation of the defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii) Long Service Award

The Group's instituted Long Service Awards scheme instituted for all permanent employees. The Group's obligations in respect of these schemes are the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. The discount rate is the yield at the reporting date on Federal Government of Nigeria issued bonds that have maturity dates approximating the term of the Company's obligation. The calculation is performed using the Projected Unit Credit method. Any actuarial gains and losses are recognized in profit or loss.

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4.11 Revenue

Revenue comprises of the fair value of consideration received or receivable for the goods and services provided, net of value-added tax, rebates and discounts and after elimination of sales within the group.

i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of value added tax, sales returns, trade discounts and volume rebates.

Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the buyer, the sales price is agreed or determinable, recovery of the consideration is probable and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discount 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.

Transfer of significant risk and rewards of ownership is determined to be transferred to the buyer at the point of delivery to the buyer. This corresponds generally to the delivery date on the sale to customers.

ii) Rendering of services

Revenue from rendering of services is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed with reference to surveys of work performed.

iii) Rental income

Revenue from property rentals is recognised in the profit or loss on a straight line basis.

4.12 Finance income and finance costs

Finance income comprises interest income on fixed deposits, loans to third parties. Finance income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on loans and borrowings, bank overdrafts and impairment losses recognised on financial assets.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

4.13 Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, equity-settled share-based payments and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Finance cost is also included in financing activities while finance income received is included in investing activities.

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4.14 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Current tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

ii) Deferred tax

Deferred tax is recognised in profit or loss account except to the extent that it relates to a transaction that is recognised directly in equity. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the amount will be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences:

- a. the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- b. differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.
- c. temporary differences arising on the initial recognition of goodwill.

iii) Tax exposures

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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iv) Minimum taxation

Minimum tax payable is calculated using the tax rate applicable based on certain parameters stipulated in the Nigerian tax law. Any amount by which this minimum amount payable exceeds company income tax is shown as minimum tax expense and presented separately in the statement of profit or loss and other comprehensive income.

4.15 Earnings per share

The Group/Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and for the effects of all dilutive potential ordinary shares, if any.

4.16 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Board of Directors (BOD) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.

Segment results, assets and liabilities, that are reported to the BOD includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4.17 Dividends

Dividends are recognised as liability in the period they are declared.

Dividends which remained unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with Section 385 of Companies and Allied Matters Act of Nigeria are written back to retained earnings.

4.18 Leases

(i) Leased assets

Leases in terms of which the Group/Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognized in the Group /Company's statement of financial position.

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4.19 Related parties

Related parties include the holding company and other group entities. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

5. Determination of fair values

A number of the Group/Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. See note 6 (g) for basis of determination of fair value for financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Trade and other receivables

Trade receivables are stated at fair value and subsequently measured at fair value through profit or loss, less provision for impairment. Impairment thereon are computed using the simplified IFRS 9 Expected Credit Loss (ECL) Model, where the receivables are aged and probability of default applied on each aged bracket. Trade receivables meet the definition of financial assets and the carrying amount of the trade receivables approximates their fair value.

6. Financial risk management and Financial instruments

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

- Credit risk
- Liquidity risk
- Market risk
- Operational risk.

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

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has delegated the responsibility for developing and monitoring the Group's risk management policies to the management of the Group. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

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Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Trade and other receivables*	4,344,691	4,695,817	3,876,318	4,149,604
Cash and bank balances	450,000	382,129	360,636	342,485
	4,794,691	5,077,946	4,236,954	4,492,089

* Advance payments, with-holding tax and VAT receivables have been excluded as they are not financial instruments.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group considers that it is not exposed to major concentration of credit risk in relation to the trade receivables. However, credit risk can arise in the event of non-performance of a counterparty. Purchase limits are established for each customer, which represents the maximum allowed open amount. These limits are reviewed bi-annually. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a cash-and-carry basis.

The Group considers that the concentration of credit risk with respect to trade receivables is limited given that the Group grants a credit period of 30 to 45 days to selected customers, which mitigates the risk of default by customers. In addition, the Group tries to mitigate the credit risk by adopting specific control procedures, including regular assessment the credit worthiness of the counterparty and limiting the exposure to any one counterparty.

Deductions are made on a monthly basis from staff emoluments to recover any outstanding loan liabilities, and any other outstanding loan balance is deducted from an exiting employee's final entitlements. There has been no history of default in respect of amounts due from related companies as such amounts are always settled in full. Accordingly management does not consider any credit risk in respect of amount due from related parties.

The maximum exposure to credit risk for trades and other receivables at the reporting date was:

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Trade receivables	1,368,275	2,259,155	863,398	1,716,011
Staff loans and advance	7,490	11,855	2,686	2,836
Amounts due from related parties	-	-	199,747	-
Other receivables	2,968,926	2,424,807	2,810,487	2,430,757
	4,344,691	4,695,817	3,876,318	4,149,604

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
The ageing of trade and other receivables at the reporting date was:				
Not past due	1,868,823	1,868,823	1,347,839	1,347,839
Past due 91-180 days	300,032	300,032	83,329	356,615
Past due 181-360 days	620,659	620,659	383,657	383,657
Past due above 360 days	1,555,177	1,906,303	2,061,493	2,061,493
	4,344,691	4,695,817	3,876,318	4,149,604
The movement in the allowance for impairment in respect of trade receivables during the year was as follows:				
At 1 January	1,638,339	2,696,320	1,453,130	2,510,494
Provision no longer required	(141,209)	(1,058,644)	(141,209)	(1,057,364)
Addition in the year	-	663	-	-
Balance at 31 December	1,497,130	1,638,339	1,311,921	1,453,130

Cash and cash equivalents

The Company held cash and cash equivalents which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are reputable and have a sound financial position.

(b) Liquidity risk

Liquidity risk is the risk that the Group and company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's and 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 Group's reputation.

The Group and company has an appropriate liquidity risk management framework for the Group's and company's short, medium and long term liquidity requirements and makes monthly cash flow projections, which assists in monitoring cash flow requirements and optimizing cash return on investments.

Typically the credit terms with customers are more favourable compared to payment terms to its vendors in order to help provide sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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For the year ended 31 December 2023

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Note	Carrying amount N'000	Contractual cash flows N'000	1 year or less N'000	1 to 2 years N'000
Group					
31 December 2023					
Non-derivative financial liabilities					
Trade and other payables*	30	3,860,494	3,860,494	3,860,494	-
Bank overdrafts	23	12,991,854	12,991,854	12,991,854	-
		16,852,348	16,852,348	16,852,348	-
31 December 2022					
Non-derivative financial liabilities					
Trade and other payables*	30	2,444,212	2,444,212	2,444,212	-
Bank overdrafts	23	12,102,491	12,102,491	12,102,491	-
		14,546,703	14,546,703	14,546,703	-
Company					
31 December 2023					
Non-derivative financial liabilities					
Trade and other payables*	30	3,324,079	3,324,079	3,324,079	-
Bank overdrafts	23	12,991,854	12,991,854	12,991,854	-
		16,315,933	16,315,933	16,315,933	-
31 December 2022					
Non-derivative financial liabilities					
Trade and other payables*	30	2,112,772	2,112,772	2,112,772	-
Bank overdrafts	23	12,102,491	12,102,491	12,102,491	-
		14,215,263	14,215,263	14,215,263	-

*Trade and other payables has been adjusted for statutory deductions like PAYE, VAT, WHT, ITF etc. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

c) Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and interest rates. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk during the year.

i) Foreign currency risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group, primarily the Naira. The currencies in which these transactions primarily are denominated are Euro, United States Dollar (USD), Japanese Yen (JPY) and United Kingdom pound sterling (GBP). The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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The Group's policy is to ensure that its net exposure in respect of monetary assets and liabilities denominated in foreign currencies are kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk as reported to the Management of the Company based on its risk management policy was as follows:

	31-Dec-23				31-Dec-22			
	Euro	USD	JPY	SAR	Euro	USD	JPY	GBP
Amounts in thousands								
Trade and other receivables		-	-			16		-
Cash and cash equivalent	1	54	4		1	328	4	-
Trade and other payables	(8)	(112)	-		(19)	(13)		-
Net exposure	(7)	(58)	4	-	(18)	331	4	-

The following significant exchange rates applied during the year:

	Average rate		Year end spot rate	
	2023	2022	2023	2022
Euro	1336	794	1336	478
United States Dollars (USD)	1220	740	1220	449
GBP	1551	0	1551	609
JPY	8	6	8	3
ZAR	65	0	65	-

ii. Sensitivity analysis

A reasonable possible strengthening/ (weakening) of the Naira, as indicated below, against major foreign currencies would have affected the measurement of financial instruments denominated in foreign currency and (increased)/ decreased equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest and inflation rates, remain constant and ignores any impact of forecast sales and purchases.

Effect in thousands of Naira	(Increase)/decrease in profit or loss	
	2023	2022
Euro (20% weakening of the Naira)	(1,980)	(2,724)
USD (20% weakening of the Naira)	(13,986)	49,001
GBP (20% weakening of the Naira)	-	-
Yen (20% weakening of the Naira)	7	5
ZAR (20% weakening of the Naira)	-	-

d) Interest rate risk

The Group adopts a policy of ensuring that its interest rates for its import finance facilities and commercial papers are at a fixed rate, as much as possible, other facilities are at variable rates.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Group Carrying Amount		Company Carrying Amount	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Variable rate instruments				
Bank overdrafts	12,991,854	12,102,491	12,991,854	12,102,491

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to management. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- Documentation of processes, controls and procedures;
- Periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified by the risk management committee;
- Training and development of employees;
- Appropriate segregation of duties, including the independent authorization of transactions;
- Monitoring of compliance with regulatory and other legal requirements;
- Requirements for reporting of operational losses and proposed remedial action;
- Reconciliation and monitoring of transactions;
- Development, communication and monitoring of ethical and acceptable business practices;
- Risk mitigation, including insurance when this is effective;
- Monitoring of business process performance and development and implementation of improvement mechanisms thereof.

Compliance with the Company's standards, established procedures and controls is supported by periodic reviews undertaken by management. Deficiencies are discussed with management for corrective action with summaries submitted to Board of the Company.

f) Capital management

The Group's objectives, when managing capital, are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and to maintain an optimal capital structure to reduce cost of capital. In order to maintain or adjust the capital structure, the Company or its subsidiaries may, among other things, issue new shares or convert debt to equity.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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The debt to adjusted capital ratio at the end of the year was as follows:

		Group	Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Total liabilities	19,854,513	17,239,847	19,286,916	16,877,658
Less: Cash and cash equivalents	(450,000)	(382,129)	(360,636)	(342,485)
Net debt	19,404,513	16,857,718	18,926,280	16,535,173
Total equity	(9,247,823)	(7,995,550)	(9,226,906)	(8,134,585)
Debt to adjusted capital ratio	(2)	(2)	(2)	(2)

Due to the position above, management is exploring various options as detailed in Note 2.3 to achieve a better debt to equity ratio.

g) Accounting classification and fair values

The analysis below shows the carrying amounts of financial assets and liabilities.

	Loans and receivables N'000	Carrying amount Other financial liabilities N'000	Total N'000
Group			
31 December 2023			
Financial assets not measured at fair value			
Trade and other receivables	4,344,691	-	4,344,691
Cash and cash equivalents	450,000	-	450,000
	4,794,691	-	4,794,691
Financial liabilities not measured at fair value			
Trade and other payables	-	3,839,835	3,839,835
Bank overdrafts	-	12,991,854	12,991,854
Dividend payable	-	20,659	20,659
	-	16,852,348	16,852,348
31 December 2022			
Financial assets not measured at fair value			
Trade and other receivables	4,695,817	-	4,695,817
Cash and cash equivalents	382,129	-	382,129
	5,077,946	-	5,077,946
Financial liabilities not measured at fair value			
Trade and other payables	-	2,423,553	2,423,553
Bank overdrafts	-	12,102,491	12,102,491
Dividend payable	-	20,659	20,659
	-	14,546,703	14,546,703

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

	Loans and receivables N'000	Carrying amount Other financial liabilities N'000	Total N'000
Company			
31 December 2023			
Financial assets not measured at fair value			
Trade and other receivables	3,876,318	-	3,876,318
Cash and cash equivalents	360,636	-	360,636
	4,236,954	-	4,236,954
Financial liabilities not measured at fair value			
Trade and other payables	-	3,303,420	3,303,420
Bank overdrafts*	-	12,991,854	12,991,854
Dividend payable	-	20,659	20,659
	-	16,315,933	16,315,933

* Bank overdrafts represents overdue facilities from various banks which has been debited into the Company's current accounts.

Company			
31 December 2022			
Financial assets not measured at fair value			
Trade and other receivables	4,149,604	-	4,149,604
Cash and cash equivalents	342,485	-	342,485
	4,492,089	-	4,492,089
Financial liabilities not measured at fair value			
Trade and other payables	-	2,092,113	2,092,113
Bank overdrafts	-	12,102,491	12,102,491
Dividend payable	-	20,659	20,659
	-	14,215,263	14,215,263

Except as highlighted above, the fair value of all other financial instruments have not been disclosed because their carrying amounts are a reasonable approximation of fair values.

7. Segment Reporting

7.1. Basis of segmentation

The Group has the following strategic divisions, which are its reportable segments. These divisions offer different products and services, and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment:

Reportable segments	Operations
Motor Vehicles	Sale of Toyota & Ford Vehicles
Industrial equipment	Sale and marketing of industrial equipment
Aftersales service	Servicing and maintenance of vehicles & industrial equipment
Property development	Facility Management, Development, sale and leasing of property.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

The Group Chief Executive Officer (CEO) reviews the internal management reports of each division at least quarterly.

Information about reportable segments

	Segment Revenue N'000	Cost of sales N'000	Gross profit N'000
Group			
31 December 2023			
Motor vehicles and accessories	11,759,913	(10,822,090)	937,823
Industrial equipment	1,018,226	(632,964)	385,262
Aftersales services and parts	1,427,568	31,452	1,459,020
Property development and facility management	386,618	(133,558)	253,060
Total	14,592,325	(11,557,160)	3,035,165
Group			
31 December 2022			
Motor vehicles and accessories	15,268,658	(12,864,181)	2,404,477
Industrial equipment	1,093,603	(621,788)	471,815
Aftersales services and parts	1,022,066	(16,390)	1,005,676
Property development and facility management	498,687	(243,821)	254,866
Total	17,883,014	(13,746,181)	4,136,833
Company			
31 December 2023			
Motor vehicles and accessories	11,759,914	(10,823,090)	936,824
Industrial equipment	511,880	(312,829)	199,051
Aftersales services and parts	1,392,243	31,452	1,423,695
	13,664,037	(11,104,467)	2,559,570
Company			
31 December 2022			
Motor vehicles and accessories	15,268,658	(12,863,870)	2,404,788
Industrial equipment	534,993	(313,503)	221,490
Aftersales services and parts	977,683	(16,390)	961,293
	16,781,334	(13,193,763)	3,587,571

Assets and liabilities by reportable segments are not presented to the Chief Operating Decision Maker (Board of Directors) on a regular basis. Therefore, information on segment assets and liabilities has not been presented.

No customer provided up to 15% of the revenue generated by the Group/Company.

Geographical Information

Nigeria is the Group/Company's only geographical segment as all of the Group/Company's sales are made in Nigeria. Accordingly, no further geographical segment information is reported.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
8. Revenue				
Sales of goods	13,808,661	17,032,816	13,302,316	16,474,206
Rendering of services	397,045	351,511	361,721	307,128
Sale of property units	57,173	37,694	-	-
Rents from investment properties	-	500	-	-
Facilities Management fees	329,074	362,808	-	-
Project Management fees	372	97,685	-	-
	14,592,325	17,883,014	13,664,037	16,781,334
9. Cost of sales:				
Cost - Vehicles	9,997,275	12,212,187	9,997,275	12,212,187
Cost - Equipment	298,094	338,953	159,045	163,539
Cost - Parts	993,949	756,356	840,668	640,815
Pre - Delivery Expenses	47,246	86,409	47,246	86,409
Rendering of services				
Cost Serv - Sub Contracts	87,038	91,943	60,233	74,301
Cost - Sundry	-	16,512	-	16,512
Sales of property and facility management	133,558	243,821	-	-
	11,557,160	13,746,181	11,104,467	13,193,763
10. Other income				
Rental Income	42,811	54,203	42,811	54,203
Insurance claims	9,853	1,422	9,853	-
Profit on disposal of property, plant and equipment	119,995	21,005	119,995	12,356
Provisions no longer required	93,401	-	93,401	-
Profit on disposal of investment property	-	20,240	-	-
Withholding tax recovered	27,957	8,412	-	-
Gains on foreign exchange translations	98,656	195,753	94,846	195,983
Management service income (Note 10.1)	-	-	141,331	136,068
Sundry other income (Note 10.2)	4,025	20,970	1,483	20,462
	396,698	322,005	503,720	419,072

10.1 This represents group service fee charged by the holding company (R.T. Briscoe) to its subsidiaries according to the group's policy for the services enjoyed by the subsidiaries. This amount has been eliminated at group level.

10.2 This represents proceeds from sale of scrap.

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	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
11. Selling and distribution expenses				
Sales Expenses (Note 11.1)	719,279	961,984	684,941	912,629
Advertisements	2,681	11,590	2,410	10,259
Exhibition and Shows	3,035	-	-	-
	724,995	973,574	687,351	922,888

11.1 This represents expenses incurred in the course of selling activities including transportation costs and maintenance of salesmen's vehicles.

12. Expenses by nature	N'000	N'000	N'000	N'000
Salaries and employee related costs (Note 12.1)	1,047,602	1,118,965	846,822	920,658
Cost of vehicles, equipment and parts sold	11,557,160	13,746,181	11,104,467	13,193,763
Selling and distribution costs (Note 11.0)	724,995	973,574	687,351	922,888
Meeting expenses	20,307	16,715	17,999	14,515
Audit fees	15,050	15,050	8,063	8,063
Legal and professional fees	150,360	195,106	75,294	155,226
Donations	400	250	400	250
Depreciation	60,826	59,553	48,402	50,346
Amortisation	756	221	219	221
Director fees	800	800	800	800
Entertainment	30,128	24,581	28,363	22,442
Electricity, fuel and business premises	149,893	151,484	140,582	141,527
Foreign exchange loss	-	100,645	-	95,004
Insurance	48,931	29,244	40,058	23,320
Bank charges	14,198	19,112	11,105	16,437
Postages and stationeries	56,150	34,541	46,215	30,050
Impairment charge	1,641	7,614	1,641	7,614
Repairs and maintenance	200,239	131,403	186,899	120,989
Rent, Business Premises	65,049	60,246	36,638	38,547
Rate and fees	61,410	106,129	61,196	105,896
Registrar fees	6,450	7,819	6,450	7,819
Internet and subscriptions	22,781	23,177	18,954	22,269
Security and cleaning	43,259	44,440	42,123	43,447
Telephone expenses	13,914	10,936	11,152	7,515
Transport and travelling Expenses	246,254	149,946	208,157	116,127
Subscriptions to Organisations	17,030	9,663	16,061	8,465
Other expenses (Note 12.2)	54,652	83,072	35,263	66,754
	14,610,235	17,120,467	13,680,674	16,140,952
12.1. Salaries and employee related costs include the following:				
Basic salary	157,913	146,584	119,580	109,289
Leave allowance	18,375	16,944	13,962	12,346
Housing allowance	87,463	75,283	79,627	68,084
Transport allowance	59,754	53,954	54,432	48,688
Meal subsidy	11,848	10,973	10,713	9,889

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	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Staff bonus & Incentives	103,245	160,085	101,744	159,339
Pension	27,851	24,085	25,394	21,710
Training	99,304	103,914	89,930	98,848
Gratuity expense	36,389	14,713	34,218	12,698
Industrial Training Fund	5,091	3,072	4,648	2,535
Medical Expenses	210,454	178,959	184,253	150,651
Directors Remuneration (Note 33.2)	79,000	78,650	79,000	78,650
Other staff expenses (12.3)	150,915	251,749	49,321	147,931
	1,047,602	1,118,965	846,822	920,658

12.2. Other expenses represent gifts, secretariat expenses, sundry office expenses etc.

12.3. Included in other staff expenses are tuition and training reimbursements, electricity/gas /telephone expenses, staff houses' repairs and maintenance expenses etc.

	2023 N'000	2022 N'000	2023 N'000	2022 N'000
12.4. Expense by function				
Cost of Sales	11,557,160	13,746,181	11,104,467	13,193,763
Selling and distribution expenses	724,995	973,574	687,351	922,888
Administrative expenses	2,328,080	2,400,712	1,888,856	2,024,301
	14,610,235	17,120,467	13,680,674	16,140,952

13. Net finance cost

13.1. Finance income				
Interest on inter-company borrowings	-	-	27,205	-
Interest on bank deposits	7,768	4,439	6,583	4,439
Total Finance income	7,768	4,439	33,788	4,439
13.2. Finance costs				
Interest on bank overdrafts	(1,232,769)	(732,497)	(1,232,769)	(695,054)
Interest on LPO Finance Facility	(107,547)	(110,614)	(107,547)	(110,614)
Interest on inter-company borrowings	-	-	-	(28,600)
Total finance cost	(1,340,316)	(843,111)	(1,340,316)	(834,268)
Net finance costs	(1,332,548)	(838,672)	(1,306,528)	(829,829)

Interest income represents income earned on bank deposits while interest expense represents charges on various outstanding facilities utilised during the year. Interest on inter-company loan has been eliminated on consolidation.

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	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
14. (Loss) / Profit before income tax	(953,760)	245,880	(819,445)	229,625
(Loss) / Profit before income tax is stated after charging/(crediting) the following items:				
Depreciation of property, plant and equipment (Note 17)	60,826	59,196	48,402	50,347
Amortisation of intangible assets (Note 18)	756	221	219	220
Auditors' remuneration	15,050	15,050	8,063	8,063
Directors' remuneration	79,000	78,650	79,000	78,650
Personnel expenses (Note 12.1)	1,047,602	1,118,965	846,822	920,658
Rent and rates	65,049	60,246	36,638	38,547
Gain on disposal of property, plant and equipment	(119,995)	(21,005)	(119,995)	(12,356)

15. Tax expense

15.1. The tax charge/(credit) 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:

	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Minimum Tax	75,480	88,360	70,839	85,940
Education Tax	-	31,387	-	31,387
Police Trust Fund levy	-	11	-	11
Deferred Tax charged	-	2,768	-	-
Under-provision in prior years	213,550	-	192,554	-
Total tax expense	289,030	122,526	263,393	117,338
15.2. Current tax payable				
At 1 January	144,634	73,204	118,869	46,445
Charge for the year:	289,030	119,758	263,393	117,338
Payments during the year	(53,070)	(20,024)	(27,865)	(16,610)
Withholding tax utilized**	(262,276)	(28,304)	(262,276)	(28,304)
At 31 December	118,318	144,634	92,121	118,869

15.3. Withholding tax

** As at year end, the Group and Company has withholding tax credit notes available for use in settlement of its tax liability. An amount of N262.3 million (2022: N28.3million) for Group and N262.3 million (2022: N28.3 million) for Company has been utilised to offset tax liability. The Movement in withholding tax receivables is as follows:

	2023 N'000	2022 N'000	2023 N'000	2022 N'000
At 1 January	904,719	933,023	1,059,357	1,087,661
Additions in the year	-	-	-	-
Withholding tax credit note utilised	(262,276)	(28,304)	(262,276)	(28,304)
At 31 December	642,443	904,719	797,081	1,059,357

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For the year ended 31 December 2023

15.4. Deferred taxation

15.4.1. Unrecognised deferred tax assets (Company)

Deferred tax assets have not been recognised in respect of the following items, because it was considered improbable that future taxable profit will be available against which the Company can use the benefits therefrom.

	2023 N'000	2022 N'000
Property, plant and equipment	4,617,058	4,758,540
Less:: Tax written down value	(535,320)	(693,358)
Employee benefits	(9,483)	(8,850)
Impairment allowance on trade receivables	(1,311,921)	(1,453,130)
Unabsorbed capital allowance carry-forward	(865,155)	(801,067)
Gain on Disposal of PPE	119,995	12,426
Unrelieved tax losses carried forward	(14,606,755)	(13,726,429)
	(12,591,581)	(11,911,868)

	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
15.4.2. Movement in deferred tax balances				
At 1 January	39,383	36,615	34,398	34,399
Deferred tax on revaluation surplus	-	-	-	-
Charged in the year	-	2,768	-	-
At 31 December	39,383	39,383	34,398	34,399
15.5. Income tax reconciliation				
(Loss) / Profit before taxation	(953,760)	245,880	(819,445)	229,625
Tax at Nigerian statutory income tax rate of 30% (2022 : 30%)	-	-	-	-
Non deductible expenses for tax purposes	-	-	-	-
Effect of minimum tax	75,480	88,371	70,839	117,338
Deferred tax effect	-	2,768	-	-
Tax relief	-	-	-	-
Education tax @ 2.5% of assessable profit	-	-	-	-
Under-provision in prior years	213,550	31,387	192,554	-
Recognised in profit or loss (Note 15.1)	289,030	122,526	263,393	117,338
At the effective tax rate	% (3)	% 2	% (3)	% 2

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

		Group		Company	
		2023	2022	2023	2022
		N'000	N'000	N'000	N'000
15.6	Statement of profit or loss				
	Accelerated depreciation for tax purpose	60,826	59,196	48,402	50,347
	Impairment of trade and other receivables	(1,497,130)	(1,638,338)	(1,311,921)	(1,453,130)
	Other comprehensive income:				
	Post-employment benefits	-	-	-	-
		(1,436,304)	(1,579,142)	(1,263,519)	(1,402,783)

16. Basic and diluted (loss) / profit per share

Basic/diluted profit or loss per share is calculated by dividing the (loss) / profit for the year attributable to ordinary equity holders of the Group by the number of ordinary shares outstanding during the year. The following reflects the income and share data used in the basic earnings per share computation:

		Group		Company	
		2023	2022	2023	2022
		N'000	N'000	N'000	N'000
	(Loss) / Profit attributable to equity holders (Naira)	(1,242,790)	123,354	(1,082,838)	112,287
	Number of shares issued	1,176,354	1,176,354	1,176,354	1,176,354
	Basic/diluted (loss) or profit per share (Naira)	(1.06)	0.10	(0.92)	0.10

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

17. Property, plant and equipment

17.1 The Group

	Freehold land	Freehold building	Motor vehicle Transport equipment	Plant and machinery, Furniture and fittings	IT Equipment	Work-in-progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Group							
Cost							
At 1 January 2022	3,796,663	1,512,233	529,966	560,362	216,652	118,563	6,734,439
Additions	59,466	-	32,970	17,987	19,075	24,323	153,821
Revaluation	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
Write-offs	-	-	-	(17,301)	-	-	(17,301)
Disposals	-	-	(156,888)	-	-	-	(156,888)
At 31 December 2022	3,856,129	1,512,233	406,048	561,048	235,727	142,886	6,714,071

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

	Freehold land	Freehold building	Motor vehicle and Transport equipment	Plant and machinery, Furniture and fittings	IT Equipment	Work-in- progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost as at 1 Jan. 2023	3,856,129	1,512,233	406,048	561,048	235,727	142,886	6,714,071
Additions in the year	-	-	3,446	15,548	19,972	24,235	63,201
Transfers / Reclassification	-	8,665	-	15,658	-	(24,323)	-
Disposals	(155,977)	-	-	(1,234)	-	-	(157,211)
At 31 December 2023	3,700,152	1,520,898	409,494	591,021	255,699	142,798	6,620,060
Depreciation							
At 1 January 2022	280,580	540,916	506,458	518,126	191,361	-	2,037,441
Adjustment	-	-	-	-	-	-	-
Charged for the year	-	18,636	14,466	12,961	13,133	-	59,196
Reclassification	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-
Write-offs	-	-	-	(17,301)	-	-	(17,301)
Disposals	-	-	(156,888)	-	-	-	(156,888)
At 31 December 2022	280,580	559,552	364,036	513,786	204,494	-	1,922,448
At 1 January 2023	280,580	559,552	364,036	513,786	204,494	-	1,922,448
Charged for the year	-	19,487	15,853	7,382	18,103	-	60,826
Revaluation	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-
Disposals	(872)	-	-	(1,234)	-	-	(2,106)
At 31 December 2023	279,708	579,039	379,889	519,934	222,597	-	1,981,167
Net book value							
At 31 December 2023	3,420,444	941,859	29,604	71,0873	3,102	142,798	4,638,894
At 31 December 2022	3,575,549	952,681	42,012	47,262	31,233	142,886	4,791,624

17.1.1 Land and Buildings of the company were revalued by Gbenga Olaniyan and Associates and the report was signed on behalf of Gbenga Olaniyan and Associates by Mr. Gbenga Olaniyan with (FRC/2013/00000000001837) on 30 December 2020. The valuation was carried out on current open market valuation basis.

17.1.2 The adjustment to property, plant and equipment represent correction of misstatement of accumulated depreciation in the prior year.

	N'000	N'000	N'000	N'000	N'000	N'000	N'000
17.2. The Company							
Cost							
At 1 January 2022	3,796,663	1,512,233	352,898	498,477	193,806	118,563	6,472,640
Adjustment	-	-	-	-	-	-	-
Additions	59,466	-	11,203	15,762	13,758	24,323	124,511
Disposals/write offs	-	-	(92,895)	-	-	-	(92,895)
At 31 December 2022	3,856,129	1,512,233	271,206	514,239	207,564	142,886	6,504,256

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	Freehold land N'000	Freehold building N'000	Motor vehicle and Transport equipment N'000	Plant and machinery, Furniture and fittings N'000	IT Equipment N'000	Work-in- progress N'000	Total N'000
At 1 January 2023	3,856,129	1,512,233	271,206	514,239	207,564	142,886	6,504,256
Additions	-	-	3,446	14,584	19,762	24,235	62,026
Reclassification / Transfers	-	8,665	-	15,658	-	(24,323)	-
Disposals	(155,977)	-	-	(1,234)	-	-	(157,211)
At 31 December 2023	3,700,152	1,520,898	274,652	543,247	227,326	142,798	6,409,071
Accumulated depreciation and impairment							
At 1 January 2022	280,580	540,917	336,992	456,985	172,792	-	1,788,266
Charged for the year	-	18,636	8,138	12,495	11,078	-	50,347
Disposals/write offs	-	-	(92,895)	-	-	-	(92,895)
At 31 December 2022	280,580	559,553	252,235	469,480	183,870	-	1,745,718
At 1 January 2023	280,580	559,553	252,235	469,480	183,870	-	1,745,718
Charged for the year	-	19,487	6,971	6,727	15,217	-	48,402
Disposals	(872)	-	-	(1,234)	-	-	(2,106)
At 31 December 2023	279,708	579,040	259,206	474,973	199,087	-	1,792,012
Net book value							
At 31 December 2023	3,420,444	941,858	15,446	68,274	28,239	142,798	4,617,059
At 31 December 2022	3,575,549	952,680	18,971	44,759	23,694	142,886	4,758,540

Revaluation of property, plant and equipment

17.2.1 Land and Buildings of the company were revalued by Gbenga Olaniyan and Associates and the report was signed on behalf of Gbenga Olaniyan and Associates by Mr. Gbenga Olaniyan with (FRC/2013/00000000001837) on 30 December 2020. The valuation was carried out on current open market valuation basis and it resulted in a fair value gain of N343.9 million which was recognised in other comprehensive income.

17.2.2 The adjustment to property, plant and equipment represent correction of misstatement of accumulated depreciation in the prior year.

17.2.3 Assets written off in 2022 relates to Generator that caught fire and got burnt in prior year.

17.2.4 Security

The Company provided negative pledges over its assets in respect of its term loans, import finance facilities and overdraft facilities with its bankers.

17.2.5 Capital work in progress

This majorly includes land and building under construction at Magboro (N118.6 million) and other WIP Assets.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

17.2.6 Capital commitments

The Group and the Company had no authorised or contracted capital commitments at the reporting date.

17.3 Depreciation of buildings

The Company's leasehold land at 18 Fatai Atere road, Matori has a certificate of occupancy which expired in 2021, the building on the land is however depreciated over 100 years based on the assessment of useful life of the building carried out by a commissioned firm of Structural Engineers, People & Projects Limited, (whose Principal Partner, Engr. Stephen Adekunle's FRCN Number is FRCN/2019/00000018214) in conjunction with Lagos State Material Testing Agency, and the assumption that the lease on the land will be renewed by Lagos State Government upon the completion of the renewal process which is currently on-going.

18. Intangible assets

Intangible assets comprise computer software, the movement on the account for the year was as follows:

	Group N'000	Company N'000
Cost		
At 1 January 2022	56,169	50,115
Additions	-	-
At 31 December 2022	56,169	50,115
At 1 January 2023	56,169	50,115
Additions	3,225	-
At 31 December 2023	59,394	50,115
Accumulated amortisation		
At 1 January 2022	55,711	49,658
Charge for the year	221	220
Reclassification	-	-
At 31 December 2022	55,932	49,878
At 1 January 2023	55,932	49,875
Charge for the year	756	219
Reclassification	-	-
At 31 December 2023	56,688	50,094
Carrying amount		
At 31 December 2023	2,706	16
At 31 December 2022	236	236

The Company provided negative pledges over its assets in respect of its term loans, import finance facilities and overdraft facilities with its bankers.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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	The Company	
	2023 N'000	2022 N'000
19. Investments in subsidiaries		
Briscoe Properties Limited	155,501	155,501
CAWS Technical Nigeria Limited	1,000	1,000
	156,501	156,501
Impairment of investment in subsidiary	(1,000)	(1,000)
At 31 December	155,501	155,501

		Company	
	% of ownership	2023 N'000	2022 N'000
19.1. Group structure			
Briscoe Properties Limited	100	155,501	155,501
CAWS Technical Nigeria Limited	100	1,000	1,000
Suite Resorts Limited	0.05	75	75
Briscoe Leasing Limited*	100	2,000	2,000
Briscoe Material Handling Limited*	100	10,000	10,000
Briscoe-Ford Nigeria Limited*	100	10,000	10,000
Briscoe Garages Limited*	100	1,000	1,000
Impairment of investment in non-operational entities		(24,075)	(24,075)
		155,501	155,501

* This represents the investment in non-operational entities owned by the Company.

19.2. Subsidiary undertakings

All shares in subsidiary undertakings are ordinary shares.

Subsidiary	Principal activities	Country of incorporation	Percentage held	Statutory year end
Briscoe Properties Limited (Note 19.2.1)	Property development and facility management	Nigeria	100%	31 December
CAWS Technical Nigeria Limited (Note 19.2.2)	Sales and after sale service of compressors and generators	Nigeria	100%	31 December

19.2.1. Briscoe Properties Limited

Briscoe Properties Limited "the Company" was incorporated in Nigeria as a private limited liability company on 4 September 2003. The principal activities of the company are facility management, project management, property development, sale and leasing of property.

19.2.2. Briscoe Technical Products and Services Nigeria Limited

Caws Technical Nigeria Limited, was incorporated on 27 January 2014 in Nigeria as a private limited liability company. The principal activity of the Company are sales and after sale service of Elgi Compressor. The company commenced operations in June 2014 and changed its name to Briscoe Elgi Equipment Nigeria Limited effective 12 February 2021. The Company further changed its name to Briscoe Technical Products and Services Limited with effect from 10th of May 2022.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

19.3 Condensed results of consolidated entities

The consolidated results of the consolidated entities of R.T Briscoe (Nigeria) Plc are shown in Note 19.3.1-4. The R.T Briscoe Group in the condensed results includes the results of the under listed entities:

Briscoe Properties Limited
CAWS Technical Nigeria Limited

Condensed results of consolidated entities 31 December 2023

	Parent - R.T. Briscoe (Nigeria) Plc N'000	Briscoe Properties Limited N'000	Briscoe Technical Product & Services N'000	Total N'000	Elimination N'000	Group N'000
19.3.1 Condensed statement of profit or loss						
Revenue	13,664,037	386,619	541,669	14,592,325	-	14,592,325
Cost of sales	(11,104,467)	(133,558)	(320,135)	(11,558,160)	1,000	(11,557,160)
Gross profit	2,559,570	253,061	221,534	3,034,165	1,000	3,035,165
Other income	503,720	29,392	4,917	538,029	-	538,029
Distribution costs	(687,351)	(2,284)	(35,361)	(724,996)	-	(724,996)
Administrative expenses	(1,888,855)	(342,424)	(238,133)	(2,469,412)	-	(2,469,412)
Operating profit/(loss)	487,084	(62,255)	(47,041)	377,788	1,000	378,788
Net finance (expense)/income	(1,306,528)	28,239	(53,259)	(1,331,548)	(1,000)	(1,332,548)
Profit before taxation	(819,444)	(34,016)	(100,300)	(953,760)	0	(953,760)
Income tax expense	(263,393)	(19,036)	(6,600)	(289,029)	-	(289,029)
Profit / (Loss) after taxation	(1,082,837)	(53,052)	(106,900)	(1,242,789)	0	(1,242,789)
19.3.2 Condensed statement of financial						
Assets						
Cash and cash equivalents	360,636	60,923	28,441	450,000	-	450,000
Trade and other receivables	2,564,397	363,145	(79,981)	2,847,561	-	2,847,561
Other current assets	57,630	5,000	-	62,630	-	62,630
Inventories	2,304,771	227,179	146,046	2,677,996	(73,097)	2,604,899
Property, plant and equipment	4,617,059	17,057	4,779	4,638,895	-	4,638,895
Intangible assets	16	2,688	-	2,704	-	2,704
Investment property	-	-	-	-	-	-
Investment in subsidiary	155,501	-	-	155,501	(155,501)	-
Total assets	10,060,010	675,992	99,285	10,835,286	(228,598)	10,606,689
Liabilities and equity						
Trade and other payables	3,324,079	341,815	196,979	3,862,873	(2,380)	3,860,494
Current tax payable	92,121	1,933	34,340	128,394	(10,076)	118,319
Bank Overdraft	12,991,854	-	-	12,991,854	-	12,991,854
Deferred income	2,362,392	-	-	2,362,392	-	2,362,392
Borrowings	460,133	-	-	460,133	-	460,133

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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	Parent - R.T. Briscoe (Nigeria) Plc N'000	Briscoe Properties Limited N'000	Briscoe Technical Product & Services N'000	Total N'000	Elimination N'000	Group N'000
Deferred tax liability	34,398	4,459	525	39,382	-	39,382
Defined benefit plan	21,939	-	-	21,939	-	21,939
Equity and reserves	(9,226,906)	460,204	(264,981)	(9,031,683)	(216,137)	(9,247,824)
Total liabilities and equity	10,060,010	808,411	(33,137)	10,835,284	(228,593)	10,606,690

Condensed results of consolidated entities

31 December 2022

19.3.3. Condensed statement of profit or loss

Revenue	16,781,334	498,687	602,993	17,883,014	-	17,883,014
Cost of sales	(13,193,763)	(359,548)	(308,477)	(13,861,788)	-	(13,861,788)
Gross profit	3,587,571	139,139	294,516	4,021,226	-	4,021,226
Other income	419,072	30,874	8,357	458,303	(136,068)	322,235
Distribution costs	(922,888)	(1,114)	(49,571)	(973,573)	-	(973,573)
Administrative expenses	(2,024,300)	(194,236)	(202,867)	(2,421,403)	136,068	(2,285,335)
Operating (loss)/ profit	1,059,455	(25,337)	50,435	1,084,553	-	1,084,553
Net finance (expense)/income	(829,829)	28,600	(37,443)	(838,672)	-	(838,672)
Loss before taxation	229,626	3,263	12,992	245,881	-	245,881
Income tax expense	(117,338)	(5,188)	-	(122,526)	-	(122,526)
Loss after taxation	112,288	(1,925)	12,992	123,354	-	123,354

19.3.4. Condensed statement of financial

Assets

Non-current assets

Cash and cash equivalents	342,485	36,210	3,433	382,128	-	382,128
Trade and other receivables	2,696,474	496,568	(70,959)	3,122,083	(64,604)	3,057,479
Other current assets	32,631	52,554	6,124	91,309	(46,831)	44,478
Inventories	757,207	-	176,151	933,358	(73,097)	860,261
Property, plant and equipment	4,758,542	25,113	7,971	4,791,626	-	4,791,626
Intangible assets	233	-	-	233	-	233
Investment property	-	-	-	-	-	-
Investment in subsidiary	155,501	-	-	155,501	(155,501)	-
Total assets	8,743,073	610,445	122,720	9,476,239	(340,033)	9,136,206

Liabilities and equity

Trade and other payables	2,112,772	197,792	246,700	2,557,264	(113,053)	2,444,212
Current tax payable	118,869	2,265	33,575	154,709	(10,076)	144,634
Bank Overdraft	12,102,491	-	-	12,102,491	-	12,102,491
Deferred income	2,362,392	-	-	2,362,392	-	2,362,392

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	Parent - R.T. Briscoe (Nigeria) Plc N'000	Briscoe Properties Limited N'000	Briscoe Technical Product & Services N'000	Total N'000	Elimination N'000	Group N'000
Borrowings	137,885	-	-	137,885	-	137,885
Deferred tax liability	34,399	4,459	525	39,383	-	39,383
Defined benefit plan	8,850	-	-	8,850	-	8,850
Equity and reserves	(8,134,585)	513,255	(158,079)	(7,779,409)	(216,137)	(7,995,550)
Total liabilities and equity	8,743,074	718,536	122,720	9,583,566	(339,266)	9,244,298

	The Group		The Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
20. Inventories				
Motor vehicles, parts and accessories	584,519	331,174	638,353	364,321
Industrial equipment and parts	516,074	399,119	389,291	262,917
Service work in progress	28,455	34,404	28,455	34,405
Consumables	23,110	22,076	23,110	22,076
Goods in transit	1,225,562	73,488	1,225,562	73,488
	2,377,720	860,261	2,304,771	757,207
20.1 Inventories under development				
Cost capitalized	227,179	108,091	-	-

Inventories under development represent total costs to date on Jasmine Court, a Property development residential project of the subsidiary.

Inventories to the value of N2,604.9 million (2022 : N968.36 million) are carried at net realisable value. No amount is recognised as expenses in respect of write down of inventories to net realisable value.

	The Group		The Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
21. Trade and other receivables				
Trade receivables	1,368,275	2,259,155	863,398	1,716,011
Other receivables	2,968,926	2,424,807	2,810,487	2,430,757
Staff loans and advance	7,490	11,855	2,686	2,836
Receivable from related parties (Note 31)	-	-	199,747	-
	4,344,691	4,695,817	3,876,318	4,149,604
Allowance for Impairments (Note 21.1)	(1,497,130)	(1,638,338)	(1,311,921)	(1,453,130)
	2,847,561	3,057,479	2,564,397	2,696,474

For the year ended 31 December 2023

***Non-current other receivables represent Withholding tax credit with Federal Inland Revenue Services that cannot be utilised for income tax payment purpose within the next 12 months.

Impairment loss represents an impairment of the Company's trade and other receivables that are either considered irrecoverable or doubtful of recovery. These balances relate to customer balances, VAT receivables, VAT input and withholding tax receivables outstanding from customers.

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	The Group		The Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
22. Other current assets				
Prepaid insurance premium	11,977	6,244	11,977	6,244
Prepaid rent	18,102	20,079	18,102	15,481
Other prepaid expenses	32,551	18,155	27,551	10,906
	62,630	44,478	57,630	32,631

23. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and short term deposits.

Cash in hand	8,410	6,545	7,380	5,958
Cash at Bank	441,590	375,584	353,256	336,527
Cash and bank balances	450,000	382,129	360,636	342,485

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and bank balances as defined above, net of outstanding bank overdrafts as at 31 December.

	N'000	N'000	N'000	N'000
Cash and bank balances	450,000	382,129	360,636	342,485
Bank overdrafts (Note 23.1)	(12,991,854)	(12,102,491)	(12,991,854)	(12,102,491)
	(12,541,854)	(11,720,362)	(12,631,218)	(11,760,006)

23.1. This represents facilities with seven Nigerian banks which the company defaulted in paying and the banks converted to overdrafts. The outstanding balance of one of the banks (Polaris Bank) was subsequently taken over by Asset Management Corporation of Nigeria (AMCON). Movement in overdrafts accounts during the year is as below:

	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
As at 1 January	12,102,491	11,456,838	12,102,491	11,456,838
Accrued interest reclassification	62,275	-	62,275	-
Interest charges during the year	1,232,769	997,810	1,232,769	997,810
Repayments during the year	(405,681)	(352,158)	(405,681)	(352,158)
	12,991,854	12,102,491	12,991,854	12,102,491

The Company's exposure to credit, currency and liquidity risks related to cash and cash equivalents is disclosed in Note 6.

	N'000	N'000	N'000	N'000
23.2 Deferred income	2,362,392	2,362,392	2,362,392	2,362,392

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

This refers to a gain arising from a debt waiver obtained by the company from Asset Management Corporation of Nigeria (AMCON) in 2021. The recognition of this gain has been deferred owing to the need for the perfection of the legal documentation relating to the debt forgiveness, which is yet to be completed as at the date of signing the Financial Statements.

	2023 N'000	2022 N'000	2023 N'000	2022 N'000
24. Borrowings				
LPO finance facility (Note 24.1)	460,133	137,885	460,133	137,885

24.1 This represents short term working capital loan / LPO Facility taken to fund supply of vehicles in December 2023 to be paid in January 2024.

	2023 N'000	2022 N'000	2023 N'000	2022 N'000
25. Share capital and reserves				
25.1 Authorised shares: 6,500,000,000 ordinary shares of 50 kobo each.	3,250,000	3,250,000	3,250,000	3,250,000
25.2 Issued and fully paid 1,176,354,000 ordinary share of 50 kobo each.	588,177	588,177	588,177	588,177

25.3 In line with the company's regulations of 2020 released by the Corporate Affairs Commission in December 2020, a company that has unissued shares in its capital shall not later than 30th June 2021 fully issue such shares. However, based on the communique issued by the Corporate Affairs Commission the date was extended till 31 December 2022.

	N'000	N'000	N'000	N'000
26. Share premium				
At 31 December	409,862	409,862	409,862	409,862

All shares rank equally with regards to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

	N'000	N'000	N'000	N'000
27. Revaluation reserve				
At 1 January	3,174,364	3,174,364	3,174,364	3,174,364
Revaluation surplus in the year	-	-	-	-
At 31 December	3,174,364	3,174,364	3,174,364	3,174,364

28. Accumulated Loss				
At 1 January	(12,167,953)	(12,279,427)	(12,306,988)	(12,407,395)
	(12,167,953)	(12,279,427)	(12,306,988)	(12,407,395)
Other comprehensive loss arising from remeasurement of defined benefit obligation	(9,483)	(11,880)	(9,483)	(11,880)
(Loss) or Profit for the year	(1,242,790)	123,354	(1,082,838)	112,287
At 31 December	(13,420,226)	(12,167,953)	(13,399,309)	(12,306,988)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

	2023 N'000	2022 N'000	2023 N'000	2022 N'000
29. Defined benefit plan				
Defined benefit obligation (gratuity) liability (Note 29.1)	106,701	87,029	106,701	87,029
Gratuity liability at the end of the year	106,701	87,029	106,701	87,029
Planned asset at 1 January	(78,179)	(73,140)	(78,179)	(73,140)
Funding during the year	-	-	-	-
Actual return on planned assets	(6,583)	(5,039)	(6,583)	(5,039)
Planned asset as at 31 December	(84,761)	(78,179)	(84,761)	(78,179)
	21,939	8,850	21,939	8,850

The Company's defined benefit end of service gratuity obligation represents the estimated amount of future benefit that employees have earned in return for their service in the current and prior periods and that benefit is discounted to determine its present value. In determining the liability under the defined benefit scheme, consideration is given to future increases in salary rates and the Company's experience with staff turnover. The recognised liability is determined by an independent actuarial valuation performed by Giant Consultants Limited using the projected unit credit method. The report was signed on behalf of the firm by Paul Monday Odofin (FRC/2024/PRO/NAS/974208).

The Company also operates a long service award scheme for all permanent employees to reward their meritorious service during employment. The Company's obligations in respect of this scheme is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The recognised liability is determined by an independent actuarial valuation performed by the same firm using the projected unit credit method.

The subsidiaries do not operate long service award scheme and defined benefit end of service gratuity obligation.

During the year, the Entity funded the planned asset with GTL Trustees Limited. The planned asset at 31 December 2023 is N84,761,221.84 (31 December 2022 : N78,178,317).

	The Group		The Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
29.1. Movement in present value of the defined benefit obligation				
At 1 January	87,029	65,809	87,029	65,809
Included in profit or loss				
Current service cost	4,452	4,744	4,452	4,744
Interest cost	7,832	5,923	7,832	5,923
	12,284	10,667	12,284	10,667
Included in other comprehensive income				
Net actuarial losses/(gain) recognised in other comprehensive income	9,483	11,880	9,483	11,880
Benefits paid by the plan	(2,096)	(1,327)	(2,096)	(1,327)
Balance at 31 December	106,701	87,029	106,701	87,029

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

	2023 N'000	2022 N'000	2023 N'000	2022 N'000
29.2. Recognised in other comprehensive income:				
Actuarial losses on defined benefit obligation recognised during the year	9,483	11,880	9,483	11,880

29.3. Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages) fall under two broad categories. Due to unavailability of published reliable demographic data in Nigeria, the demographic assumptions regarding future mortality are based on the rates published jointly by the Institute and Faculty of Actuaries in the United Kingdom (UK).

Financial assumptions	2023	2022
The principal actuarial assumptions used were:		
Discount rate	9%	9%
Future salary increases	10%	10%
Future rate of Inflation	13%	12%
Benefit increase rate (Per annum)	0%	0%

These assumptions depict management's estimate of the likely future experience of the Company. The same assumptions has been used for both defined benefit obligation and Long Service Award.

Demographic assumptions

Assumptions regarding future mortality are based on published statistics and mortality tables.

Mortality in Service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample age	2023	2022
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Withdrawal from Service

We have assumed a withdrawal rate for the current valuation that starts at 5% up to age 40 years and decreases to nil withdrawal from age 51 years and above as indicated below.

Age Band (years) Withdrawal Rate (%)	2023	2022
Up to 30	5%	5%
31-35	5%	5%
36-40	5%	5%
41-45	2%	2%
46-50	2%	2%
51 and above	Nil	Nil

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

	The Group		The Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
30. Trade and other payables				
Trade creditors	2,399,154	1,500,216	2,140,543	1,224,859
Other payables (Note 30.1)	990,697	784,853	715,688	723,350
Dividend payable (Note 30.2)	20,659	20,659	20,659	20,659
Non income taxes	-	116,124	-	34,963
Due to related parties	434,190	10,894	434,190	100,689
Pension Contribution (Note 30.3)	15,794	11,466	12,999	8,252
	3,860,494	2,444,212	3,324,079	2,112,772
30.1. Other payables				
Deferred Income	7,500	15,558	7,500	15,558
Staff deductions	35,855	20,296	29,906	16,851
Withholding tax payable	99,483	105,890	76,279	80,499
Sundry Creditors	5,541	5,541	5,541	5,541
Long service award (Note 30.4)	52,408	32,404	52,408	32,404
Payable on facility management	128,114	24,949	4,379	20,714
Accrued expenses	647,796	566,215	525,675	537,783
Rent payable	14,000	14,000	14,000	14,000
	990,697	784,853	715,688	723,350
30.2. Dividend Payable				
This represents the value of unclaimed dividend in the company's books, N20.659million as at 31 December 2023.				
30.3. Pension contribution	N'000	N'000	N'000	N'000
At 1 January	11,466	18,759	8,252	12,080
Additions in the year	33,423	29,464	25,394	21,710
Remittances in the year	(29,095)	(36,757)	(20,647)	(25,538)
At 31 December	15,794	11,466	12,999	8,252
30.4. Movement in the present value of the long service award				
At 1 January	32,404	30,629	32,404	30,629
Included in profit or loss				
Current service cost	1,162	1,101	1,162	1,101
Interest cost	2,913	2,752	2,913	2,752
	4,075	3,853	4,075	3,853
Included in other comprehensive income				
Actuarial loss recognised in profit or loss	20,029	272	20,029	272
Benefits paid by the plan	(4,100)	(2,350)	(4,100)	(2,350)
At 31 December	52,408	32,404	52,408	32,404

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

31. Related Parties

During the year, the Company entered into contractual relationships with its related parties. Transactions with the related party are mainly in the nature of payments for expenses on behalf of each other and sale of goods.

Related Parties	Nature of Transaction	Relationship	Transaction value during the year		Balance outstanding as at 31 December	
			31-Dec-22 N'000	31-Dec-21 N'000	31-Dec-22 N'000	31-Dec-21 N'000
Briscoe Technical	Service provision	Sister Company	243,814	(76,901)	368,448	124,634
Briscoe Properties Ltd.	Service provision	Sister Company	165,744	219,435	(168,701)	(221,411)
Other related parties:						
R.T. Briscoe						
Employee's						
Gratuity Fund			-	-	-	-
Toyota Nigeria						
Limited	Purchase of goods		(5,423,296)	(4,547,571)	(434,190)	(10,894)
			(5,013,738)	(4,405,037)	(234,443)	(107,671)

Related party transactions disclosed is inclusive of the relevant value added tax applicable on the transactions. The amounts outstanding are unsecured and will be settled in cash. No provisions have been made for doubtful debts in respect of the amounts owed by related parties as the amounts are deemed to be recoverable.

Long term compensation to key management personnel

The remunerations of the company's key management personnel are as disclosed in note 33.3 below.

	2023 Number	2022 Number	2023 Number	2022 Number
32. The number of full time employees as at 31 December was as follows:				
Managerial staff	29	23	25	22
Senior staff	123	124	98	95
Junior staff	56	65	35	42
Total number of employees	208	212	158	159

32.1. Employees of the Company, other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension contributions and certain benefits) in the following

	2023 Number	2022 Number	2023 Number	2022 Number
N300,001- N350,000	-	-	-	-
N350,001- N400,000	-	-	-	-
N400,001- N450,000	-	-	-	-
N500,000 and above	208	212	158	159
	208	212	158	159

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

		Group		Company	
		2023 Number	2022 Number	2023 Number	2022 Number
33. Information relating to Directors					
33.1. Directors' mix					
Executive Directors		2	2	2	2
Non-executive Directors		5	5	5	5
		7	7	7	7
33.2. Directors' remuneration					
The aggregate emolument of the Directors was:		N'000	N'000	N'000	N'000
Directors' fees		800	800	800	800
Remuneration-Executive Directors		43,700	43,700	43,700	43,700
Remuneration-Non Executive Directors		29,400	29,400	29,400	29,400
Sitting allowance		5,100	4,750	5,100	4,750
		79,000	78,650	79,000	78,650

The emolument (excluding pension contributions and certain benefits) of the highest paid director was N25,400,000 (2022: N25,400,000).

33.3 Key management personnel and compensation

The Company has 158 employees as at 31 December 2023 (31 December 2022 : 159 employees). While the group has 208 employees as at 31 December 2023 (31 December 2022: 212 employees).

	Group 31-Dec-23 N'000	Group 31-Dec-22 N'000
Key Management Personnel Annual Remunerations:		
Short term benefits	97,433	87,711
Post employment benefits	7,307	6,578
Total	104,740	94,289
Count	Number 11	Number 11

The key management personnel of the group are the members of the executive management committee which is made up of the Executive Directors, the Chief Financial Officer, heads of business units and departments within the group.

33.4 The number of other directors (excluding the Chairman and highest paid director) who received emoluments excluding pension contributions and certain benefits were within the following ranges:

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

	The Company	
	2023	2022
	Number	Number
N 50,001- N100,000	-	-
N100,001- N150,000	6	6
	6	6

33.5 Non-Audit Services

There was no non-audit service rendered by the firm of external auditors in the course of the year.

34. Contingencies

a) Ongoing litigation with Diamond Bank (Nigeria) Plc and others

As disclosed in note 2.3.1, there is an on-going winding up petition case, between Diamond Bank Plc (now Access Bank) and R.T. Briscoe with other parties also joined in the proceedings.

b) Contingent assets and liabilities

The company is engaged in various lawsuits that have arisen in the normal course of business. The actual value of contingent liabilities in respect of pending litigations and claims amounted to N428 million as at 31 December 2023 (2022: N428 million). The contingent assets in respect of pending litigations and claims as at 31 December 2023 amounted to N129.93 million (2022 - N129.9 million). In the opinion of the directors, and based on independent legal advice, the company is not expected to suffer any material loss arising from these claims. Thus, no provision has been made in these consolidated financial statements.

c) Financial commitments

As at the end of year, the Company has no financial commitments to any counterparty. The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the state of affairs of the Company, have been taken into consideration in the preparation of these financial statements.

35. Navigating Economic Challenges in 2023: A Strategic Response for Business Resilience

i) External Policy / Economic effects

The year 2023 presented significant challenges for conducting business in Nigeria, marked by a complex economic landscape influenced by political activities and uncertainties related to currency fluctuations. Key policy shifts by the new administration, particularly the removal of fuel subsidies, led to a notable surge in the price of PMS across the nation. The cost of PMS escalated from N175.89 to an average of N498 per litre, triggering a ripple effect that resulted in increased prices for food and commodities nationwide. This, in turn, constrained spending power and purchasing capabilities.

Simultaneously, the currency market experienced significant volatility following the Central Bank's directive on June 14, 2023, instructing banks to "sell forex freely at market-determined rates". This move caused the Nigerian Naira to depreciate by over 25%, plummeting to N632 per USD from 463 per USD the previous day, marking the most substantial single-session drop since 2016. By December 12, the currency traded at N853 per USD, reflecting a 46% decrease from its pre-reform value, closing the year at N1220. In comparison, the currency traded at N447 per USD in December 2022 and N411 per USD in December 2021.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

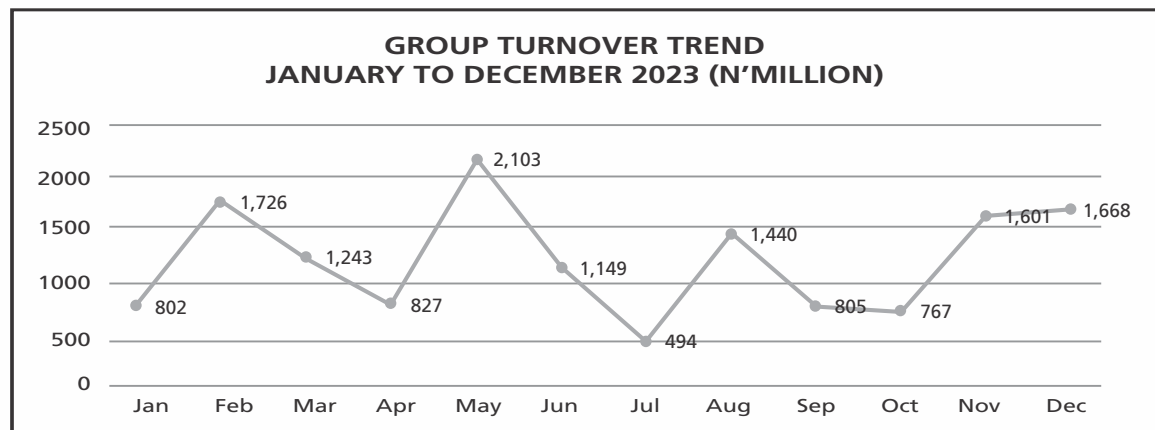
This substantial depreciation has made imports more expensive, compelling importers to pass the increased costs to customers in the form of higher prices. Consequently, product prices have witnessed a significant rise.

These economic shifts have adversely affected businesses nationwide, impacting costs, pricing structures, and overall financial stability. In response, we navigated this challenging landscape strategically, remaining vigilant, adapting to market dynamics, and implementing strategic measures to mitigate these external factors. Our focus remains on ensuring the resilience of our business in the upcoming future.

ii) 2023 Performance

The group achieved a turnover of N14.6 billion, indicating a 18% decline from the previous year's performance of N17.9 billion and a 19% deviation from the target of N18.1 billion. This outcome is primarily attributed to economic challenges that impacted spending power and hindered business growth across the country, particularly due to unfavorable foreign exchange fluctuations and an unstable business environment. It underscores our collective resilience, proactiveness, adaptability, and unwavering commitment to excellence.

(The consolidated turnover trend for FY 2023 is presented in the chart below; illustrating the growth trajectory of the business over the period).



iii) Conclusion

The group is optimistic about future improvements, attributing this outlook to the stability derived from the firm establishment of the new government and the commencement of duties by ministers. This stability is expected to enhance confidence in previously volatile industries. Additionally, the modified approach to forex management adopted by many organizations has mitigated the initial risks posed by unforeseen fluctuations.

We aim to explore strategic opportunities for improvement within and beyond our current markets, especially with our other business units; Material Handling Equipment (MHE), Briscoe Technical, and Briscoe Properties Limited (BPL). These units are actively pursuing innovative avenues and considering expansion into regions where we already have a presence. Our focus remains steadfast on delivering unparalleled quality, fostering customer relationships, and embracing sustainable practices. Leveraging technology to enhance our operations and provide cutting-edge solutions to our clients will remain a priority. Investing in our greatest asset – our employees – by fostering a culture of empowerment, continuous learning, and collaboration is paramount. With a dynamic approach, we aim to exceed expectations and set new benchmarks in the industry.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2023

36. Events after the reporting date

On the 27th of March 2024, the R.T.BRISCOE SAVINGS AND INVESTMENT FUND was officially opened for investment by the general public with a soft launch carried by DLM, signifying the commencement of the process that would lead to the recapitalisation of the company. Apart from this, the Directors are of the opinion that there are no significant transactions or events that have occurred subsequent to the reporting date, which could have had a material effect on these Consolidated and separate financial statements as at 31 December 2023 that have not been adequately provided for or disclosed in these consolidated and separate financial statements.

37. Comparative figures

Where necessary comparative figures have been reclassified to ensure proper disclosure and uniformity in the current year's presentation. This re-classification has no net impact on these consolidated and separate financial statements.

VALUE ADDED STATEMENT

For the year ended 31 December 2023

	Group				Company			
	2023 N'000	%	2022 N'000	%	2023 N'000	%	2022 N'000	%
Revenue	14,592,325		17,883,014		13,664,037		16,781,334	
Other operating income	396,698		322,005		503,720		419,072	
Finance income	7,768		4,439		33,788		4,439	
	14,996,791		18,209,458		14,201,545		17,204,845	
Deduct:								
Outside purchases of services and products:								
- Local	(12,557,936)		(15,142,950)		(12,171,142)		(14,612,320)	
- Import	(943,115)		(799,135)		(614,089)		(557,407)	
Value added	1,495,740	100	2,267,373	100	1,416,314	100	2,035,118	100
Distributed as follows:								
To pay employee:								
Salaries and labour related expenses	1,047,602	70	1,118,965	49	846,822	60	920,658	45
To provider of capital:								
Interest	1,340,316	91	843,111	37	1,340,316	95	834,268	41
To pay Government:								
- Company taxes	289,030	19	122,526	5	263,393	19	117,338	6
To provide for replacement of assets and future expansion of business:								
- Depreciation of property plant and equipment	60,826	4	59,196	3	48,402	3	50,346	2
- Amortisation of intangible assets	756	-	221	-	219	-	220	-
Loss transferred from income statements	(1,242,790)	(83)	123,354	5	(1,082,838)	(76)	112,287	6
	1,495,740	100	2,267,373	100	1,416,314	100	2,035,118	100

The value added represents the wealth created through the use of the group's asset by its employees' efforts. This statement shows the allocation of wealth amongst employees, capital providers, government, and that retained for future creation of wealth.

FIVE YEAR FINANCIAL SUMMARY – THE GROUP

31 December 2023

	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000
Profit or loss and other comprehensive income					
Revenue	14,592,325	17,883,014	11,898,697	6,478,009	6,939,393
(Loss)/profit before income tax	(953,760)	245,880	(735,300)	(1,079,276)	(1,239,861)
Taxation	(289,030)	(122,526)	(31,129)	(16,877)	(36,794)
(Loss)/profit for the year ended	(1,242,790)	123,354	(766,429)	(1,096,153)	(1,276,655)
Other comprehensive (loss)/income	(9,483)	(11,880)	300,875	(795,278)	(10,668)
Total comprehensive (Loss)/profit for the year	(1,252,273)	111,474	(770,327)	(795,278)	(1,287,323)
Employment of funds					
Property, plant & equipment	4,638,894	4,791,624	4,696,998	4,810,763	4,495,178
Investment property	-	-	91,611	247,201	347,175
Defined benefit plan	-	-	7,331	13,246	15,378
Other non current asset	1,038,854	501,612	511,610	500,428	444,523
Net current liabilities	(14,864,249)	(13,240,552)	(13,377,959)	(15,814,402)	(14,784,139)
Non current liabilities	(61,322)	(48,233)	(36,615)	(35,911)	(1,512)
Net liabilities	(9,247,823)	(7,995,550)	(8,107,024)	(10,278,675)	(9,483,397)
Funds employed					
Ordinary shares	588,177	588,177	588,177	588,177	588,177
Share premium account	409,862	409,862	409,862	409,862	409,862
Revaluation reserve	3,174,364	3,174,364	3,174,364	3,174,364	2,864,778
Loss sustained	(13,420,226)	(12,167,953)	(12,279,427)	(14,451,078)	(13,346,214)
	(9,247,823)	(7,995,550)	(8,107,024)	(10,278,675)	(9,483,397)
Basic/diluted (loss) per share (Naira)	(1.06)	0.10	(0.65)	(0.93)	(1.09)
Net liabilities per share (Naira)	(7.86)	(6.80)	(6.89)	(8.74)	(8.06)

(Loss) / profit per share are based on (loss) after tax divided by the issued and fully paid ordinary shares at the end of each financial year.

Net liabilities per share are based on net liabilities divided by the issued and fully paid ordinary shares at the end of each financial year.

FIVE YEAR FINANCIAL SUMMARY – THE COMPANY

31 December 2023

	2023 N'000	2022 N'000	2021 N'000	2020 N'000	2019 N'000
Profit or loss account					
Revenue	13,664,037	16,781,334	11,116,678	5,905,687	6,261,101
(Loss)/Profit before income tax	(819,445)	229,625	(627,305)	(894,887)	(1,261,713)
Income tax expense	(263,393)	(117,338)	(28,304)	(15,335)	(31,874)
(Loss)/Profit for the year	(1,082,838)	112,287	(655,609)	(910,222)	(1,293,587)
Other comprehensive (loss)/income	(9,483)	(11,880)	(3,898)	300,875	(10,668)
Total comprehensive (loss)/profit for the year	(1,092,321)	100,407	(659,507)	(609,347)	(1,304,255)
Employment of funds					
Property, plant and equipment	4,617,059	4,758,540	4,684,374	4,796,315	4,488,679
Intangible assets	16	236	457	677	-
Investment in subsidiaries	155,501	155,501	155,501	156,501	156,501
Defined benefit plan	-	-	7,331	13,246	15,378
Other non-current receivables	996,638	474,123	502,427	490,347	439,910
Net-current liabilities	(14,939,783)	(13,479,735)	(13,550,683)	(15,940,150)	(15,008,581)
Non-current liabilities	(56,337)	(43,249)	(34,399)	(34,399)	-
Net liabilities	(9,226,906)	(8,134,585)	(8,234,992)	(10,517,463)	(9,908,113)
Funds employed					
Ordinary shares	588,177	588,177	588,177	588,177	588,177
Share premium account	409,862	409,862	409,862	409,862	409,862
Revaluation reserve	3,174,364	3,174,364	3,174,364	3,174,364	2,864,778
Loss sustained	(13,399,309)	12,306,988)	(12,407,395)	(14,689,866)	(13,770,930)
	(9,226,906)	(8,134,585)	(8,234,992)	(10,517,463)	(9,908,113)
Basic/diluted (loss)/profit per share (Naira)	(0.92)	0.10	(0.56)	(0.77)	(1.10)
Net liabilities per share (Naira)	(7.84)	(6.92)	(7.00)	(8.94)	(8.42)

(Loss) / profit per share are based on (loss) / profit after tax divided by the issued and fully paid ordinary shares at the end of each financial year.

Net liabilities per share are based on net liabilities divided by the issued and fully paid ordinary shares at the end of each financial year.

UNCLAIMED DIVIDENDS, E-DIVIDEND AND E-BONUS

E-Dividend/Unclaimed Dividends

The Securities and Exchange Commission Nigeria ("SEC") as the apex regulator of the Nigerian Capital Market and in furtherance of its investor protection and market development mandate had directed the discontinuance of the issuance of physical dividend warrants by public companies with effect from December 31, 2020. The payment of dividends are now to be done solely by e-dividend whereby payments will be made electronically to the bank accounts of the concerned shareholders. All shareholders who are not registered for e-dividend are advised to fill the E-Dividend Mandate Activation Form in this report and submit same to the Registrars for the collection of their unclaimed dividends and subsequent dividends electronically. We advise all shareholders with unclaimed dividends to write our Registrars for their unclaimed dividends. The list of unclaimed dividends are available on our Registrar's web site – www.meristemregistrars.com. Additionally, there's a link for self-service e-mandate upload for shareholders, according to the Securities and Exchange Commission's directive: <https://docuhub3.nibss-plc.com.ng/edmms/self-service>

Electronic Dispatch of Annual Reports

To ensure that our shareholders receive their annual reports as early as possible and within a reasonable time before the Annual General Meeting, arrangements have been put in place for electronic copies to be forwarded timeously to shareholders' e-mail addresses. Hard copies would be dispatched in advance to the Shareholders' Associations registered by SEC and also made available on the day of the AGM. Shareholders are requested to provide our Registrars with their e-mail addresses to facilitate the prompt delivery of their annual reports.

Complaints Management Policy

The Complaints Management Policy is available on the company's website – www.rtbriscoe.com. For further information, we advise that you get in touch with either of the following:
The Company Secretary
R. T. Briscoe (Nigeria) Plc.
18, Fatai Atere Way, Matori, Lagos.

Telephone Lines:

0804 050 3875, 0817 459 0116

E-mail address:

Briscoemail@rtbriscoe.com

Website:

www.rtbriscoe.com

The unclaimed dividend as at 31st December 2023 are as follows:

Dividend	Date Paid	N'000
24	25/04/2008	
25	15/05/2009	22,979,685.15
26	28/05/2010	7,022,481.74
27	27/05/2011	7,923,351.48
28	29/06/2012	12,641,688.45
TOTAL		50,567,206.82

S/N	Sript No.	Date of Issue
1	01	29.08.75
2	02	18.10.76
3	03	14.10.77
4	04	31.10.80
5	05	30.11.81
6	06	29.10.82
7	07	24.04.03
8	08	29.04.04
9	09	26.04.07
10	10	24.04.08
11	11	01.04.09
12	12	21.04.10
13	13	29.04.11
14	14	26.06.12

The Registrar

Meristem Registrars and Probate Services Ltd.
213, Herbert Macaulay Way, Adekunle, Yaba, Lagos.

Telephone Lines:

0212809250-3

E-mail address

info@meristemregistrars.com

Website:

www.meristemregistrars.com

E-DIVIDEND MANDATE MANAGEMENT SYSTEM (E-DMMS)



Dear Esteemed Shareholders,

Following the recent development, kindly be advised to use the link or QR Scan Code below to upload e-mandate request to enable us process your outstanding and subsequent dividend payment seamlessly.

e-Dividend Mandate Management System (e-DMMS) portal:

:<https://docuhub3.nibss-plc.com.ng/edmmms/self-service>

Please be informed that upon submission, we would await bank's approval, after which your share account will be mandated, and outstanding or subsequent dividend will be processed to the bank account provided. Kindly ensure to indicate your **previous address or Clearing House Number (CHN)** on the website and avail us the **mandate code generated or the BVN** for easy tracking.



Help Desk Telephone No/Contact Centre Information for Issue resolution or clarification: 01-2809250-4



Meristem Registrars And Probate Services Limited
Web: meristemregistrars.com; email: info@meristemregistrars.com

Please
Affix
Postage
Stamp

THE REGISTRARS,



RC No: 489029

PROXY AND ADMISSION FORMS

R. T. BRISCOE (NIGERIA) PLC (RC: 1482)

ANNUAL GENERAL MEETING to be at held at 11.00 a.m. on Wednesday, the 24th of July, 2024 at 18, FATAI ATERE WAY, MATORI, LAGOS.

I/We*.....

being a member/members of R. T. BRISCOE (NIGERIA) PLC hereby appoint

**Sir Sunday Nnamdi Nwosu or failing him, Mr. Bukola Oluseyi Onajide as my/our proxy to vote for me/us at the General Meeting of the Company to be held on 24th July 2024 at 11:00 a.m. and at any adjournment thereof. Unless otherwise instructed, the proxy will vote or abstain from voting as he thinks fit.

Dated this.....Day of2024.

Signed:.....

* In the case of joint Shareholders, anyone of such may complete the form, but the names of all joint holders must be stated.

**Please delete the inapplicable names.

NUMBER OF SHARES HELD:

Resolutions	For	Against
To re-elect as Directors: 1. Sir Sunday Nnamdi Nwosu. 2. Mrs. Folasade Oluwatoyin Ogunde.		
To ratify the appointment of Mr. Jubril Adetokunbo Shittu as a Director of the Company.		
To authorise the Directors to fix the remuneration of the Auditors.		
To elect members of the Audit Committee.		
To disclose the Compensation of the Managers of the Company.		
To fix the remuneration of the Directors.		
To authorise the company to procure goods and services necessary for its operations from related companies.		
Please indicate with 'X' in the appropriate square how you wish your vote to be cast on the resolutions set out.		

Before posting the above form, please cut off this part and retain it.

R. T. BRISCOE (NIGERIA) PLC 18, FATAI ATERE WAY, MATORI, OSHODI, P. O. BOX 2104, LAGOS. ADMISSION FORM

R. T. BRISCOE (NIGERIA) PLC (RC: 1482)

ANNUAL GENERAL MEETING to be at held at 11.00 a.m. on Wednesday, the 24th of July 2024 at 18, FATAI ATERE WAY, MATORI, LAGOS.

Name of Shareholder

.....
If you are unable to attend the Meeting, please note that:

AA member (shareholder) who is unable to attend the Company's Annual General Meeting is allowed by law to vote on a poll by proxy. The representative of any corporation who is a member may also vote on a show of hands. The above proxy form has been prepared to enable you to exercise your right to vote in case you cannot personally attend the Annual General Meeting.

Following the normal practice, the names of two Directors of the Company have been entered on the forms to ensure that someone will be at the Meeting to act as your proxy but if you wish, you may insert in the blank space on the form (marked **) the name of any person, whether a member of the Company or not, who will attend and vote on your behalf instead of one of the Directors.

Please sign the above proxy form, have it stamped by the Commissioner for Stamp Duties and then post it so as to reach the address on the reverse side of the proxy not less than 48 hours before the time for holding the Meeting.

The company has made arrangements at its own cost for stamp duties to be paid on the proxy forms.

Please
Affix
Postage
Stamp

THE REGISTRARS,



MERISTEM
REGISTRARS AND PRIVATE SERVICES LIMITED

213, Herbert Macaulay Way, Adekunle, Yaba
P.O. Box 51585, Falomo Ikoyi, Lagos.
Tel: 0212809250-3, 0700MERIREG
Fax: 01-2702361 e-mail: info@meristemregistrars.com
Website: www.meristemregistrars.com

RC No: 489029



Briscoe Motors/Aftersales Services: Sales of Toyota Vehicles, CNG Conversion, Auto Electrical Services, Mechanical Services, Bodywork & Painting Services, Maintenance, Repairs.



Briscoe Material Handling Equipment: Improve sales & aftersales productivity with Manitou Material Handling Equipment & Warehousing Solutions.



Briscoe Properties Limited: BPL offers bespoke & customised property development, property management & facility management services.



Briscoe Technical Products & Services Limited: Air Compressors for plastic industries, construction, breweries, manufacturing, service etc.

Visit any of our R.T. Briscoe (Nigeria) Plc Nationwide

Call Us Today:

Corporate Communications: 08090503875

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BRISCOE
Quality and Excellence... Since 1957

BRISCOE

R.T. BRISCOE (NIGERIA) PLC
RC 1482

18, Fatai Atere Way, Matori, Oshodi, P.O. Box 2104, Lagos.
Tel: 0809 050 3875, 0817 459 0116 E-mail – briscoemail@rtbriscoe.com

BRANCHES: ABUJA // ASABA // KANO // LEKKI // PORT HARCOURT // VICTORIA ISLAND



www.rtbiscoe.com