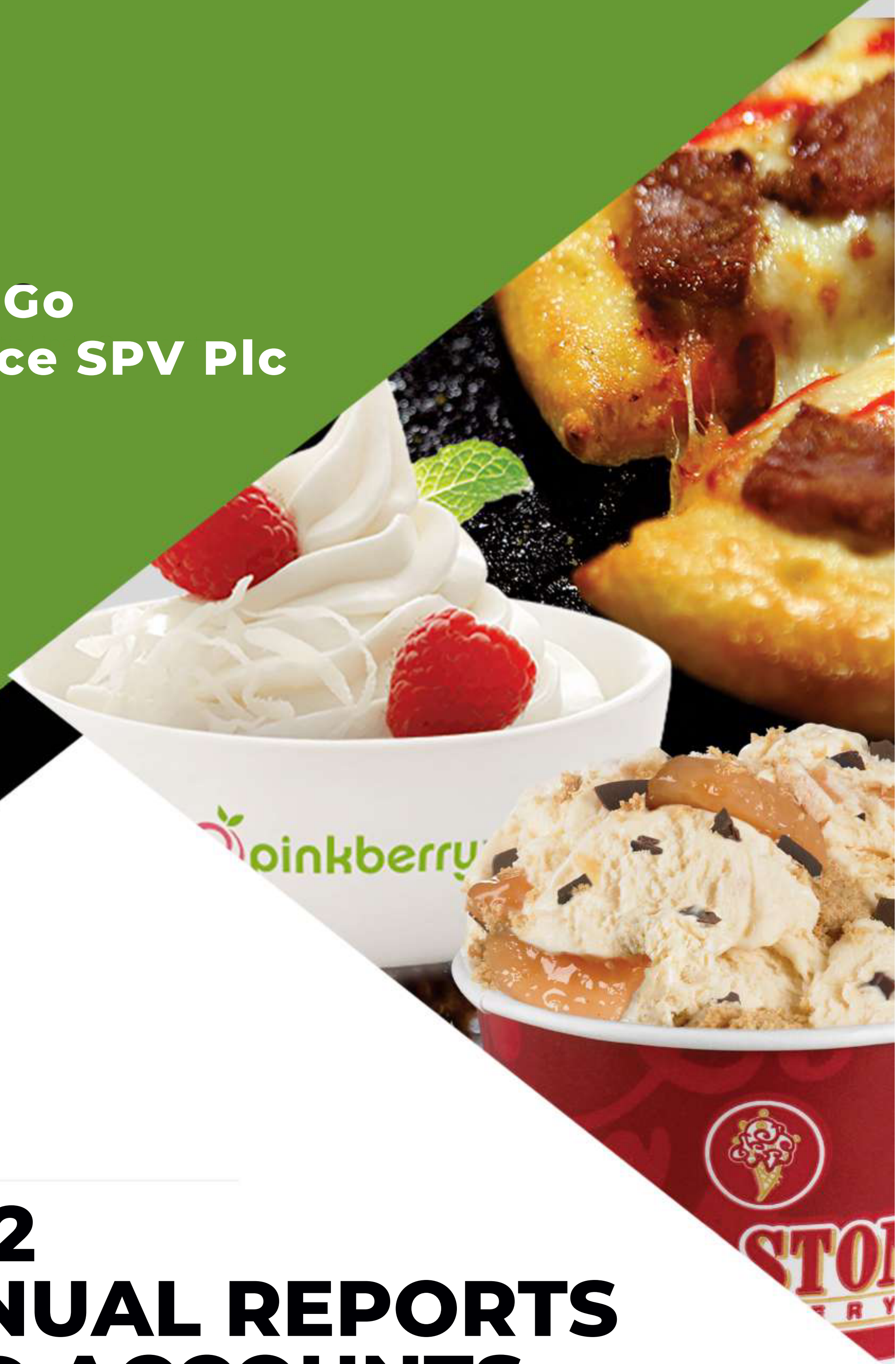
Eat & Go Finance SPV Plc



2022 ANNUAL REPORTS AND ACCOUNTS

https://eatngo-africa.com/

4th ANNUAL GENERAL MEETING OF EAT & GO FINANCE SPV PLC HELD ON FRIDAY MARCH 28TH 2023 AT 10AM

CHAIRMAN'S SPEECH

Distinguished shareholders, investors, SEC and CAC representatives, ladies and gentlemen, Welcome to the Eat & Go Finance SPV PLC 4th Annual General Meeting. We are pleased to be holding our AGM today.

As the global economy commenced recovery from the COVID-19 pandemic in 2021, it was again hit by the Russia-Ukraine war with its disruption to international trade, supply chain disruptions, and inflationary pressures. Locally in Nigeria, we have been faced with significant increases in utility costs, contraction in disposable income, FX availability pressures, and so on.

Despite the challenging times and economic hurdles, we have found ourselves in, we have continued with resilience to forge ahead in our business. We have continued a growth trajectory establishing our business across the key states in Nigeria. The fundamentals of our business remain strong.

Our stakeholders continue to be at the forefront of our business. My sincere appreciation goes to all our stakeholders who have contributed to ensuring top quality service to our highly esteemed customers nationwide despite the challenges we face.

2022 was a growth year for Eat 'N' Go Limited, as we consolidated our focus on investing in long term growth to support our bid to operate multiple stores nationwide and across Africa. We have continued to ensure that investor funds are secured by operating a disciplined business to retain investor confidence in our brand.

We received the proceeds of the last tranche of the N3.5billion corporate bond in 2022 for the purpose of driving Eat 'N' Go Ltd.'s expansion plans to be allocated to the opening of new stores. I am pleased to announce that we successfully established twenty-two (22) new stores in Nigeria across six states[1], expanding our footprint to a total of one hundred and seventy-three (173) stores in Nigeria bringing our total stores in Africa to one hundred and ninety-three (193). We continue to delight our growing customer base with premium offerings in Domino's pizza, Cold Stone Creamery and Pinkberry frozen yoghurt, leveraging product innovation and technology to improve our customer experience. We have partnered with 9-mobile to on-board all our Domino's pizza stores on our call centre with the aim of ensuring that our customers can make seamless orders.

It is important to note that Eat & Go Finance SPV Plc had a finance income of N2.13bn being 26.8% growth over the N1.68bn of the prior year. Finance cost for the year amounted to N2.13bn resulting in N170.95m net finance cost. The company recorded after tax profit of N52.51m in 2022 against N16.84m after tax profit recorded in 2021. This was mainly due to N86.70m movement in credit loss allowance in year 2022 being receivable received in 2022.

[1] Plateau, Bayelsa, Ogun, Oyo, Anambra, and Lagos.

Corporate Governance

The Board has ensured that a robust governance structure is in place to ensure success and deliver long-term sustainable growth. As part of its responsibilities to institute good corporate governance, the Board has in place the following committees**:**

1. The Risk Management and Audit Committee (RMAC) oversees and ensures the adequacy of internal controls.
2. The Remuneration and Nomination Committee (RENCO) oversees the appointment and remuneration practices of the company.
3. The Operations Committee provides oversight on the operations and strategy implementation of the company.

No director resigned their appointments during the year.

Outlook

We have confidence in our business model, our growth and business expansion strategies. We have sufficient reserve funds to make the principal repayments which are now falling due. We have in fact come out as a stronger business during this crisis with many initiatives across the organisation in service delivery, supply chain, training that have resulted in higher productivity and profitability.

We are grateful to all our investors for the confidence reposed in the Eat 'N' Go brand, as well as all the other partners in our progress. We also, on behalf of the Board of Directors, thank all Eat 'N' Go Ltd employees all over the country for their unwavering dedication and commitment as well as their outstanding effort in the face of these trying times.

On behalf of the Board of Directors, I thank all our stakeholders for supporting this business and look forward to the next phase of growth.

Thank you.

Charbel Antoun

EAT & GO Finance SPV Plc
Annual report and financial statements
For the year ended 31 December 2022

Contents

Directors, professional advisers and registered office

Country of incorporation	Nigeria
Registration No.:	RC 1567102
Directors	
Charbel Antoun (Nigerian)	Chairman
Mc Michael Patrick John (American)	Non-Executive Director
Registered office	Plot 1715 Idejo Street Victoria Island Lagos, Nigeria
Independent auditor	PricewaterhouseCoopers Chartered Accountants Landmark Towers Plot 5B Water Corporation Road Victoria Island Lagos, Nigeria
Company secretary	Alakija Oyinkan 10 Keffi Street, Ikoyi, Lagos, Nigeria.
Banker:	Stanbic IBTC Bank Plc

Report of the Directors

The directors submit their report together with the audited financial statements for the year ended 31 December 2022 to the members of EAT & GO Finance SPV Plc ("the Company"). This report discloses the financial performance and state of affairs of the Company.

Incorporation and address
The Company was incorporated in Nigeria in March 2019 under the Companies and Allied Matters Act as a public limited liability company, and is domiciled in Nigeria.

Principal activities

The Company commenced operations in April 2019. The principal activity of the Company is to borrow or raise money as the company shall think fit and in particular, by the issue of corporate bonds, and to advance monies to such specific class of persons, upon such terms and conditions as the company may deem fit, and to take such security over any loans or monies provided by the company to secure the repayment of monies advanced.

Results and dividends
The Company's results for the year ended 31 December 2022 are set out on page 12. The profit for the year of N52.5 million (2021: profit of N16.8 million) has been transferred to retained earnings. The summarised results are presented below.

	31 December 2022 N'000	31 December 2021 N'000
Profit before tax	77,803	16,839
Tax expense	(25,289)	-
Profit for the year	52,514	16,839
Total comprehensive income for the year	52,514	16,839

No dividend has been recommended for the year (2021 : Nil).

Directors
The directors who held office during the period and to the date of this report are set out on page 3.

Shareholding structure

Shareholder	No of shares	Percentage
EAT N GO Limited	19,999,999	99.999999%
Antoun Charbel	1	0.00001%
	20,000,000	100%

According to the register of members as at 31 December 2022, the following shareholders of the Company held more than 5% of the issued share capital of EAT & GO Finance SPV Plc.

Shareholder	No of shares held	Percentage
EAT N GO Limited	19,999,999	99.999999%

Directors' interest in contracts
None of the directors has notified the Company for the purpose of section 303 of the Companies and Allied Matters Act of their direct or indirect interest in contracts or proposed contracts with the company during the period.

Health, safety and environment

The Company aims at ensuring a safe and healthy environment for its workforce, and to this end, it has adopted the Health, Safety and Environment Policy in cooperation with the local fire authorities and fire regulations have been drawn up for the office premises. Also, evacuation procedures in the event of fire have been communicated to visitors.

Donations and gifts
The Company did not make any donations or charitable gifts during the year (2021 : Nil).

Auditors
The Company's auditors, Messrs. PricewaterhouseCoopers have indicated their willingness to continue in office in accordance with Section 401(2) of the Companies and Allied Matters Act.

Events after the reporting date
Events after the reporting period have been disclosed in Note 19 to the financial statements.

By order of the Board

OYINKAN ALAKIJA ESQ.
Greyndale Entity

Alakija Oyinkan
Company Secretary
FRC/2020/002/00000021251

6th March, 2023

Statement of Directors' Responsibilities

The Companies and Allied Matters Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. The responsibilities include:

(a) ensuring that the Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act;

(b) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and

(c) preparing the Company's financial statements using suitable accounting policies which are consistently applied, supported by reasonable and prudent judgments and estimates.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

Mr. Charbel Antoun	Mc Michael Patrick John
Director	**Director**
FRC/2020/003/00000021232	FRC/2020/002/00000021231
March 10, 2023	March 10, 2023
Date	**Date**

Statement of Corporate Responsibilities

Pursuant to Section 405 of the Companies and Allied Matters Act, 2020, we confirm that we have reviewed the audited financial statements of EAT & GO Finance SPV Plc (hereafter, "the Company") for the year ended 31 December 2022.

We acknowledge our responsibility for establishing and maintaining internal controls within EAT & GO Finance SPV Plc and have designed such internal controls to ensure that material information relating to the Company is made known to us by other officers of the Company, particularly during the period in which the audited financial statements were prepared.

We have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of the audited financial statements, and certify that the Company's internal controls are effective as of that date.

We also confirm that the Company's Auditors and Audit Committee have been informed about the following:
(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and has identified for the company's auditors any material weaknesses in internal controls; and
(ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the company's internal control.

During the year, there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

We hereby certify that based on our knowledge, the financial statements do not contain any untrue statement of material fact or material omission that may make the financial statements misleading and the financial statements fairly presents in all material respects the financial condition and results of operations of the Company for the year ended 31 December 2022.

Mr. Patrick McMichael
Group Chief Executive Officer
FRC/2020/002/00000021231

March 10, 2023
Date

Mrs. Adebola Falade
Group Chief Financial Officer
FRC/2016/ICAN/00000015167

March 10, 2023
Date

Report of the Statutory Audit Committee

The report is provided by the Audit Committee appointed in respect of the 2022 financial year of the company.

1 Members of the Statutory Audit Committee

The Audit Committee is made up of five (5) members. Members of the Audit Committee are elected annually at General Meetings. The Committee in compliance with the requirements of corporate governance practice is chaired by a representative of the Shareholders and include:

Name	Position
Jean-Claude Meyer	Chairman/Shareholder Representative
Charbel Antoun	Director
Patrick McMichael	Director
Mrs. Olanrewaju Sanusi	Member
Elisha Akinremi	Member

2 Meetings held by the Statutory Audit Committee

The committee held Three (3) scheduled meetings during 2022.

Name	22-Mar-22	27-Jun-22	6-Oct-22
Jean-Claude Meyer	Yes	Yes	Yes
Charbel Antoun	Yes	Yes	Yes
Patrick McMichael	Yes	Yes	Yes
Olanrewaju Sanusi	Yes	Yes	Yes
Elisha Akinremi	Yes	Yes	Yes

3 Statutory Audit Committee Responsibilities

a Ensuring the independence and objectivity of the Audit.

b Reviewing the adequacy and effectiveness of the company's internal control policies prior to endorsement by the Board.

c Directing and supervising investigations into matters within its scope, such as evaluation of the effectiveness of the company internal controls, business partner and client misconduct of interest.

In addition to the above stated responsibilities, the Committee carries out all such other functions as stipulated by the Companies and Allied Matters Act, 2020.

4 External Auditors

In Accordance with the provisions of the Section 404(4) of Companies and Allied Matters Act of Nigeria, CAP C20 LFN 2020, we have examined the Auditors' report for the year ended 31 December 2022. We have obtained all the information and explanations we required.

In our opinion, the Auditors' report is consistent with our review of the scope and planning of the Audit. We are also satisfied that the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices.

Having reviewed the Auditors' findings and recommendations, in the management letter, we are satisfied with management's response therein.

*Jean-Claude Meyer
Chairman
FRC/2022/PRO/IPANNG/002/714394

Date March 10, 2023

Members:
Charbel Antoun
Patrick McMichael
Mrs. Olanrewaju Sanusi
Elisha Akinremi

Independent auditor's report

To the Members of EAT & GO Finance SPV Plc

Report on the audit of the financial statements

Our opinion

In our opinion, EAT & GO Finance SPV Plc's ("the company's") financial statements give a true and fair view of the financial position of the company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

EAT & GO Finance SPV Plc's financial statements comprise:

- the statement of profit or loss and other comprehensive income for the year ended 31 December 2022;
- the statement of financial position as at 31 December 2022;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

We have determined that there are no key audit matters to communicate in our audit report.

Other information

The directors are responsible for the other information. The other information comprises the Directors, Professional Advisers and Registered Office, Report of the Directors, Statement of Directors' Responsibilities, Statement of Corporate Responsibilities, Report of the Statutory Audit Committee, Value Added Statement and Four-Year Financial Summary, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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.

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

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

In preparing the financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 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 one 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

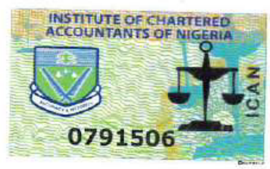
Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires 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 has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;

iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.



Oladele Oladipo
For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

13 March 2023

Engagement Partner: Oladele Oladipo
FRC/2013/ICAN/00000002951

Statement of Profit or Loss and Other Comprehensive Income

	Note	31 December 2022 N'000	31 December 2021 N'000
Finance income	4	2,129,833	1,682,498
Finance cost	6	(1,958,879)	(1,682,498)
Net finance cost		170,954	-
Operating expenses	5	(6,456)	(5,839)
Expected credit loss (allowance)/reversal	7	(86,695)	22,678
Profit before tax		77,803	16,839
Income taxation expense	8	(25,289)	-
Profit for the year		52,514	16,839
Other comprehensive income		-	-
Total comprehensive income for the year		52,514	16,839
Earnings per share:			
Basic and diluted (Naira)	14	2.63	0.84

The notes on pages 16 to 26 form an integral part of these financial statements.

Statement of Financial Position as at 31 December 2022

	Note	31 'December 2022	31 'December 2021
		N'000	N'000
Non - Current Assets			
Due from related parties	9	10,216,672	9,171,239
Deferred tax asset	8	28,176	-
		10,244,848	9,171,239
Current Assets			
Due from related parties	9	2,520,989	2,283,716
Cash and cash equivalents	10	14,585	24,300
		2,535,574	2,308,016
Total Assets		12,780,422	11,479,255
Non- Current Liabilities			
Borrowings	11	10,219,562	9,174,129
		10,219,562	9,174,129
Current Liabilities			
Borrowings	11	2,527,023	2,283,716
Other payable and accruals	12	6,581	9,840
Tax payable	8	(36,828)	-
		2,496,776	2,293,556
Total Liabilities		12,716,338	11,467,685
Equity attributable to Shareholders			
Ordinary Share Capital	13	20,000	20,000
Retained earnings/(losses)		44,084	(8,430)
Total Equity		64,084	11,570
Total Equity and Liabilities		12,780,422	11,479,255

The financial statements and notes on page 12 to 29 were approved by the Board of Directors on 10/03/2023 and signed on its behalf by:

Mr. Charbel Antoun	McMichael Patrick John	Mrs. Adebola Falade
Director	Director	Group Chief Financial Officer
FRC/2020/003/00000021232	FRC/2020/002/00000021231	FRC/2016/ICAN/00000015167

The notes on pages 16 to 26 form an integral part of these financial statements.

Statement of Changes in Equity

Attributable to equity holders of the Company

	Share capital	Retained losses	Total equity
	N'000	N'000	N'000
Balance at 1 January 2021	20,000	(25,269)	(5,269)
Profit for the year	-	16,839	16,839
At 31 December 2021	20,000	(8,430)	11,570
Balance at 1 January 2022	20,000	(8,430)	11,570
Profit for the year	-	52,514	52,514
At 31 December 2022	20,000	44,084	64,084

The notes on pages 16 to 26 form an integral part of these financial statements.

Statement of Cash Flows

	Note	31 December 2022 N'000	31 December 2021 N'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before tax for the year		77,803	16,839
Adjustments :			
Accrued interest income	4	(2,129,833)	(1,682,498)
Impairment reversal	9a	-	(22,678)
Interest expense	6	1,958,879	1,682,498
		(93,151)	(5,839)
Changes in working capital:			
(Increase)/ decrease in amount due from related parties		(1,282,706)	20,000
(Decrease)/Increase in other payables and accruals		(3,259)	5,839
Cash (used in)/generated from operations		(1,379,116)	20,000
Tax paid		(90,293)	-
Net cash (used in)/generated from operating activities		(1,469,409)	20,000
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		3,419,858	-
Principal repayments		(2,300,000)	-
Interest received		2,129,833	1,638,590
Interest paid		(1,789,997)	(1,638,590)
Net cash generated from financing activities		1,459,694	-
NET CHANGE IN CASH AND CASH EQUIVALENTS		(9,715)	20,000
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		24,300	4,300
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		**14,585**	**24,300**

The notes on pages 18 to 26 form an integral part of these financial statements.

Notes to the financial statements

1.0 General information

These financial statements are the financial statements of EAT & GO Finance SPV Plc ("the Company"). The Company was incorporated in Nigeria in 2019 under the Companies and Allied Matters Act as a public limited liability company with sole purpose to borrow or raise money as the company shall think fit and in particular, by the issue of corporate bonds, and to advance monies to such specific class of person upon such terms and conditions as the company may deem fit, and to take such security over any loans or monies provided by the company to secure the repayment of monies advanced.

2.0 Introduction to summary of accounting policies

The principal accounting policies applied in the preparation of this financial statements are set out below.

2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the requirements of Companies and Allied Matters Act (CAMA) and Financial Reporting Council of Nigeria Act.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company'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 that the Company's financial statements therefore present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.8.

These financial statements are presented in Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand except where otherwise indicated.

The Company has no operating segments as it is not in active operations.

2.2 Significant accounting policies

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

2.3 New standards and interpretations

New standards, amendments and interpretations adopted by the company

The Company has applied the following amendments for the first time for their annual reporting period commencing 1 January 2022:

IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" outlines the accounting for provisions (liabilities of uncertain timing or amount), together with contingent assets (possible assets) and contingent liabilities (possible obligations and present obligations that are not probable or not reliably measurable). The amendments are effective for annual periods beginning on or after January 1, 2022.

The amendments listed above did not have any impact on the amounts recognized in prior periods.

Standards and Interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 January, 2023 or later periods:

Classification of Liabilities as current or non-current – Amendments to IAS 1

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Effective for annual periods beginning on or after 1 January 2024.

2.3 New standards and interpretations (continued)

Classification of liabilities as current or non-current – amendments to IAS 1

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The effective date of the standard is for years beginning on or after January 1, 2023.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

IAS 1 "Presentation of Financial Statements" sets out the overall requirements for financial statements, including how they should be structured, the minimum requirements for their content and overriding concepts such as going concern, the accrual basis of accounting and the current/non-current distinction. The standard requires a complete set of financial statements to comprise a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity and a statement of cash flows.

Definition of Accounting Estimates – Amendments to IAS 8

IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis.

2.4 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2.5 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Modification

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Presentation

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.6 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

2.7 Other payables and accruals

Other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

2.8 Other receivables

Other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount adjusted for any loss allowance.

Allowances for credit losses on amounts due from related parties

IFRS 9 requires entities to recognize expected credit losses for all financial assets held at amortized cost, including most intercompany loans from the perspective of the lender.

The loss allowances for financial assets are based on assumptions about risk of default, expected loss rates and maximum contractual period. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Measurement and recognition of expected credit losses

The company makes use of the 3-stage general impairment model in the determination of expected credit loss on intercompany loans. The first step of the general model is to determine which impairment 'stage' the intercompany loan sits within. At initial recognition, intercompany loans are generally within 'stage 1', which requires a 12-month expected credit loss to be calculated for each intercompany loan balance. The model then requires monitoring of the credit risk associated with the loan to consider if there has been a significant increase since initial recognition. If there has been a significant increase in credit risk (the intercompany loan is now in 'stage 2'), or the asset has become credit impaired (the intercompany loan is now in 'stage 3'), a lifetime expected credit loss must be recognised.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of other receivables, through the use of a loss allowance account. The impairment loss is shown separately on the face the statement of profit or loss as expected credit loss reversal/(allowance).

2.9 Income taxation

Current income tax

Income tax expense is the aggregation of the charge to the profit and loss account in respect of current income tax, educational tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the period determined in accordance with the Companies Income Tax Act (CITA) of Nigeria. Educational tax is assessed at 2% of the chargeable profits.

2.10 Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

3.1 Financial risk management

The Company's activities expose it to a variety of financial risks such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by the finance team under policies approved by the board of directors. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

a) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company manages liquidity risk by ensuring that sufficient funds are available to meet its commitments as they fall due.

The company uses both long term and short term cash flow projections to monitor funding requirements for activities and to ensure there are sufficient cash to meet all financing needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the company does not breach borrowing limits on any of its borrowing facilities. Cash flow projections take into consideration the company's debt financing plans, covenant compliance and internal statement of financial position ratio targets.

The following table details the company's remaining contractual maturity for its non-derivative financial liabilities with agreed maturity periods. The table has been drawn based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the company can be required to pay.

	Due within one year N'000	1 - 5 years N'000	Total N'000
31 December 2022			
Borrowings	2,527,023	10,219,562	12,746,585
Other payables	6,581	-	6,581
Total	2,533,604	10,219,562	12,753,166

	Due within one year N'000	1 - 5 years N'000	Total N'000
31 December 2021			
Borrowings	2,283,716	9,174,129	11,457,845
Other payables	9,840	-	9,840
Total	2,293,556	9,174,129	11,467,685

b) Market risk

(i) Price risk

The company has no commodity price risk.

(ii) Interest rate risk

The Company's borrowings are issued at a fixed rate and are measured at amortised cost, therefore, the Company is not exposed to fair value or cash flow interest rate risk.

(iii) Foreign currency risk

Presently the company has no foreign currency risk.

3.1 Financial risk management (Continued)

c) Credit risk

Credit risk arises from amount due from related parties, cash and cash equivalents. No provisions for impairment loss was recognised at the reporting date.

The credit risk on cash is limited because the deposits are with a bank which have stable credit ratings assigned by international credit agencies as shown in the table below. The company's maximum exposure to credit risk due to default of the counter party is equal to the carrying value of its financial assets.

The company's credit risk is concentrated as all of its receivables are due from one related party; the parent company Eat N Go Limited.

The table below, shows financial assets from which credit risks could arise.

	Due within one year N'000	Due after one year N'000
Cash and cash equivalents	14,585	-
Due from related parties	2,520,989	10,216,672
31 December 2022	2,535,574	10,216,672

	Due within one year N'000	Due after one year N'000
Cash and cash equivalents	24,300	-
Due from related parties	2,283,716	9,171,239
31 December 2021	2,308,016	9,171,239

Consideration of impairment has been detailed in Note 9a.

Cash and cash equivalents Counterparties with external credit ratings	31 'December 2022 N'000	31 'December 2021 N'000
AAA	14,585	24,300
	14,585	24,300

3.2 Capital management

The company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The company monitors capital on the basis of net debt ratio, that is, the ratio of net debt to equity. Net debt is calculated as gross debt as shown in the statement of financial position, less cash and cash equivalents.

The net debt ratios as at period end are as follows:

	31 'December 2022 N'000	31 'December 2021 N'000
Borrowings:	12,746,585	11,457,846
Less: cash and cash equivalents	(14,585)	(24,300)
Net debt	12,732,000	11,433,546
Equity	64,084	11,570
Net debt to equity ratio	199	988

3.3 Financial assets and liabilities have been classified into categories that determine their basis of measurement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument. The three levels of the fair value hierarchy are as follows:

> Level 1 – inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.

> Level 2 – inputs to the valuation methodology are derived from quoted prices for identical assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed.

> Level 3 – inputs to the valuation methodology are not based on observable market data.

Cash and cash equivalents have been classified as Level 2. They are carried at amortised cost, which approximates fair value due to the short-term nature of the instrument.

Borrowings have been classified as Level 1. They are carried at amortised cost. The fair value of borrowing as at 31 December 2022 is N12.7 billion. (31 December 2021: N11.4 billion). The fair value was determined using prices quoted on FMDQ Daily Quotation Listing (DQL).

Due from related parties have been classified as Level 2. They are carried at amortised cost. The fair value of due from related parties as at 31 December 2022 is N12.7 billion. (31 December 2021: N11.4 billion).

Except for due from related parties and borrowings, all other payables are all short-term in nature and as such, their carrying values approximate fair values.

	31 December 2022 N'000	31 December 2021 N'000
4 Finance income		
Accrued interest on loan advances to parent	2,129,833	1,682,498
	2,129,833	1,682,498
5 Operating expenses		
Audit fees	5,750	5,375
Other expenses	706	464
	6,456	5,839

The auditors did not provide any non-audit services to the company during the year. No other professional provided any form of assurance on the financial statements.

6 Finance cost		
Interest expense	1,958,878	1,682,498
Bank charges	1	-
	1,958,879	1,682,498

This relates to interest expense on bond issued.

7 Expected credit loss allowance/(reversal)		
Due from related parties	86,695	(22,678)
	86,695	(22,678)

8 Taxation

A Income taxation expense		
Education Tax	4,112	-
Company Income Tax	49,349	-
Police Trust Fund Levy Expense	4	-
Deferred Income Tax credit to profit	(28,176)	
Total charge to profit or loss	25,289	-
Total tax in statement of comprehensive income	25,289	-

The charge for taxation is based on the provisions of Companies Income Tax Act, and the Education Tax Act. The charge for the company income tax and education tax are 30% and 2% respectively.

Income tax payable		
Movement in tax payable is as follows:		
Balance at 1 January	-	-
Education tax for the year	(4,112)	-
Company Income Tax	(49,349)	-
Police levy tax .	(4)	-
Tax paid	90,293	-
Balance at 31 December	36,828	-

Tax paid relates to WHT receivable from EAT N' GO Limited paid during the year. This WHT credit notes was used to reduced the CIT liability payable.

B Reconciliation of tax expense

Reconciliation between accounting profit and tax expense

Profit before tax from continuing operations	77,803	16,839
Tax at the applicable tax rate of 30%	(23,341)	(5,052)
Education tax rate of 2.5%	(1,945)	(337)
Tax effect of adjustments on taxable income	62,118	5,389
Police Trust Fund of 0.005%	(4)	-
	36,828	-

	31 December 2022 N'000	31 December 2021 N'000
9 Due from related parties		
Intercompany bond receivable	12,516,672	11,396,813
WHT receivable	125,211	-
Accrued interest receivable	182,473	58,142
Loss allowance	(86,695)	-
	12,737,661	11,454,955

The N12,7 billion due from related party represents the loan of N15 billion given to parent company, net of N253 million transaction cost,accrued interest on the bond. Also included in the amount due from related party is an ecpected credit loss of N87 million.

	31 December 2022 N'000	31 December 2021 N'000
9 Due from related parties		
Current	2,520,989	2,283,716
Non - Current	10,216,672	9,171,239
	12,737,661	11,454,955

9a Due from related parties inherently expose the company to credit risk, being the risk that the company will incur financial loss if the parent fails to make payments as they fall due.

	31 December 2022	31 December 2022	31 December 2022	31 December 2021	31 December 2021	31 December 2021
	Estimated gross carrying amount at default	Loss allowance (12 month expected credit loss)	Estimated net carrying amount at default	Estimated gross carrying amount at default	Loss allowance (12 month expected credit loss)	Estimated net carrying amount at default
	N'000	N'000	N'000	N'000	N'000	N'000
Due from related parties						
Expected credit loss	12,824,356	86,695	12,737,661	11,454,955	-	11,454,955
	12,824,356	86,695	12,737,661	11,454,955	-	11,454,955

Reconciliation of loss allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for amount due from related parties:

	31 December 2022 N'000	31 December 2021 N'000
Opening balance in accordance with IFRS 9	-	(22,678)
Provision raised on new receivables	86,695	-
Provisions reversed on settled trade receivables	-	22,678
Closing balance	86,695	-

The unpaid share capital of N20 million was paid in 2021 period. Also, the accrued interest receivable of N58 million was also paid. Hence, the provision expected credit loss (ECL) of N22 million as at December 2020 was reversed in the 2021. In 2022, the expected credit loss on the related party receivable of N12.8 billion is N87 million.

Notes to the financial statements

9 Due from related parties

The reconciliation of gross carrying amount is as follows:	31 December 2022 N'000	31 December 2021 N'000
Gross carrying amount as at 1 January	11,454,955	11,431,047
Addition during the year	5,549,691	97,062
Receipts during the year	(4,180,290)	(73,154)
Gross carrying amount as at 31 December	12,824,356	11,454,955

	31 December 2022 N'000	31 December 2021 N'000
10 Cash and cash equivalents		
Cash at bank - Naira	14,585	24,300
	14,585	24,300

11 Borrowings

	31 December 2022 N'000	31 December 2021 N'000
Corporate Bonds	12,530,911	11,399,704
Accrued interest on bonds	215,674	58,142
	12,746,585	11,457,846

The sum of N12.7 billion (2021 : N11.4 billion) represents funds raised by EAT & GO Finance SPV Plc from Qualified Institutional Investors and high net worth individuals with a tenor of 7 years and a two year moratorium on principal with a fixed rate of 14.25% due 2026. The Bonds are senior, unsubordinated obligations of the Issuer and rank pari passu among themselves and equally with all other existing senior obligations of the Issuer. It was secured for expansion capital for the investment in fixed assets, and refinancing of existing secured bank debt in the parent company. A principal repayment of N2.3 billion due in 2022 was paid and N2.5 billion is due to be paid in 2023. There is also an accrued interest payable as at year end of N230 million (2021 : N58 million). These have been classified as the current portion of the liability in the statement of financial position at 31 December 2022. In the current year, an addition bond of N3.4 billion was received from the bond owners with a tenor of & years and a two year moratorium on principal with a fixed rate of 13.25% due in 2029. The borrowing is analysed into the following :

	31 December 2022 N'000	31 December 2021 N'000
Amortised cost	11,457,846	11,413,938
Proceeds from bond issue	3,419,858	-
Principal repayment	(2,300,000)	-
Interest expense*	1,958,878	1,682,498
Interest paid	(1,789,997)	(1,638,590)
Total	12,746,585	11,457,846

* Interest expense is calculated using the effective interest rate of 14.43% for the N11.5 billion bond and 14.16% for the N3.5 billion bond to the amortised cost.

	31 December 2022 N'000	31 December 2021 N'000
Non-current	10,219,562	9,174,129
Current	2,527,023	2,283,716
	12,746,585	11,457,845

Notes to the financial statements

12 Other Payables and accruals	**31 December 2022 N'000**	**31 December 2021 N'000**
Professional fee payable	5,750	2,688
Due to related party	831	7,152
	6,581	9,840

13 Ordinary Share Capital	**31 December 2022**	**31 December 2021**
Authorised:	**N'000**	**N'000**
20 million ordinary shares of N1 each	20,000	20,000
	20,000	20,000
Issued and fully paid:		
20 million ordinary shares of N1 each	20,000	20,000
	20,000	20,000
Issued and fully allotted		
20 million ordinary shares of N1 each	20,000	20,000
	20,000	20,000

14 Earnings per share

Basic earnings per share is calculated by dividing the net profit/(loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	31 December 2022 N'000	**31 December 2021 N'000**
Profit/(loss) for the year attributable to shareholders	52,514	16,839
Weighted average number of ordinary shares in issue	20,000	20,000
Basic earnings per share	2.63	0.84

The Company does not have potentially dilutive securities that are convertible to ordinary shares which may dilute ordinary shares, hence there is no difference between basic earnings per share and diluted earnings per share.

15 Contingent liabilities

The directors are not aware of any material contingent liability arising out of any suit pending against the Company that has not been disclosed in the financial statements for the year ended 31 December 2022 (2021: nil).

Notes to the financial statements

16 Related parties

The Company is a subsidiary of Eat 'N' Go Limited. The company entered into transaction with the releted party in the normal course of business. This is disclosed below:

			31 December 2022 N'000	31 December 2021 N'000
a)	**Related party receivables**			
	Eat 'N' Go Limited	Ultimate parent	12,737,661	11,454,955
			12,737,661	11,454,955

Amount represents loan receivable and accrued interest receivable.
The intercompany loan receivable relates to the bond issue proceeds that, upon receipt, were immediately transferred in total to the parent company Eat N Go Limited, who is the sponsor of the bond. The repayment terms of the Intercompany loan are exactly the same as that of the bond issued (see note 11). The loan receivable was recognised at an amortised cost amount that is nearly identical to the carrying amount of the bond and both instruments and carried subsequently at the same value, with identical interest recognised on both.

b) **Key management compensation**

Key management personnel of the Company are the directors. There are no compensation paid or payable to key management for employee services during the period.

17 Directors and employees

The average number of persons (excluding directors) employed by the Company during the year is nil (2021: nil).

18 Capital commitments

There are no capital commitments from the company in the year under review (2021: nil).

19 Events after reporting period

There are no significant subsequent events, which could have had a material effect on the financial statements of the Company as at 31 December 2022 that have not been adequately provided for or disclosed in the financial statements.

Other National Disclosures

Value added statement

	31 December 2022 N'000	%	31 December 2021 N'000	%
Finance income	2,129,833		1,682,498	
Other income			(5,839)	
Bought in materials and services (all local)	(93,151)		22,678	
Value added	2,036,682	100%	1,699,337	100%
Applied as follows:				
To pay providers of capital:				
Interest on borrowings	1,958,879	96%	1,682,498	102%
Retained profit/(loss) for the year	52,514	3%	16,839	(2%)
To pay government:				
Taxes	25,289	1%	-	
Value added	2,036,682	100%	1,699,337	100%

The value added represents the additional wealth which the Company has been able to create by its own efforts. This statement shows the allocation of that wealth by the providers of capital and that retained for the future creation of more wealth.

Four - year financial summary

	2022 N'000	2021 N'000	2020 N'000	2019 N'000
Financial position				
Capital employed:				
Ordinary share capital	20,000	20,000	20,000	20,000
Retained earnings	44,084	(8,430)	(25,269)	(582)
Total equity	**64,084**	**11,570**	**(5,269)**	**19,418**
Represented by:				
Non-current assets	10,244,846	9,171,239	11,350,162	11,390,893
Net current assets/(liabilities)	38,798	14,460	300	(85,357)
Non-current liabilities	(10,219,562)	(9,174,129)	(11,355,731)	(11,286,118)
Net assets/(liabilities)	**64,083**	**11,570**	**(5,269)**	**19,418**
Net assets/(liabilities) per share (Naira)	3.20	0.58	(0.26)	0.97
Financial results				
Revenue from contracts with customers	-	-	-	-
Gross profit	-	-	-	-
Net operating expenses	(93,151)	16,839	(24,678)	(2,000)
Operating profit	(93,151)	16,839	(24,678)	(2,000)
Finance cost - net	170,954	-	-	-
Profit/(loss) before tax	77,803	16,839	(24,678)	(2,000)
Income tax expense	(25,289)	-	-	-
Profit/(loss) for the year	52,514	16,839	(24,678)	(2,000)
Basic earnings/(loss) per share (Naira)	2.63	0.84	(1.23)	(0.10)