EAT & GO Finance SPV Plc
Annual report and financial statements
For the year ended 31 December 2021

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 Oyinkansola Lofty Heights Building, Ganiyu Bola Hussein Close, Lekki Phase I, 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 2021 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 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 period ended 31 December 2021 are set out on page 12. The profit for the period of N16.8 million (2020: loss of N24.6 million) has been transferred to retained earnings. The summarised results are presented below.

	31 December 2021 N'000	31 December 2020 N'000
Profit/(loss) before tax	16,839	(24,687)
Tax expense	-	-
Profit/(loss) for the year	16,839	(24,687)
Total comprehensive profit/(loss) for the year	16,839	(24,687)

No dividend has been recommended for the year (2020 : 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 2021, 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 (2020 : 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

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

By order of the Board

Alakija Oyinkansola
Company Secretary
9th March 2022

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 14, 2022	March 14, 2022
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 "N" Go Finance SPV Plc (or "the Company") for the year ended 31 December 2021.

We acknowledge our responsibility for establishing and maintaining internal controls within Eat "N" 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 on our 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 period, 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 period ended 31 December 2021.

Mr. Patrick McMichael	Mrs. Olanrewaju Sanusi
Chief Executive Officer	**Chief Financial Officer**
FRC/2020/002/00000021231	FRC/2014/ICAN/00000006165
March 14, 2022	March 14, 2022
Date	**Date**

Report of the Statutory Audit Committee

The report is provided by the Audit Committee appointed in respect of the 2021 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 requirement 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
Godwin Udom	Member

2 Meetings held by the Statutory Audit Committee

The committee held four (4) scheduled meetings during 2021.

Name	10-Feb-21	18-May-21	18-Sep-21	10-Dec-21
Jean-Claude Meyer	**Yes**	**Yes**	**Yes**	**Yes**
Charbel Antoun	**Yes**	**Yes**	**Yes**	**No**
Patrick McMichael	**Yes**	**Yes**	**Yes**	**Yes**
Olanrewaju Sanusi	**Yes**	**Yes**	**Yes**	**Yes**
Godwin Udom	**Yes**	**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, Laws of the Federation of Nigeria 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 2021. 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

March 14, 2022
Date

Members:
Charbel Antoun
Patrick McMichael
Mrs. Olanrewaju Sanusi
Godwin Udom

*By virtue of a letter dated March 10, 2022 the Financial Reporting Council of Nigeria granted a waiver to Jean-Claude Meyer to sign the Financial Statements of the Company for the year ended December 31, 2021 while in the process completing the registration with the Council.

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 2021, and of its financial performance and its cash flows for the year then ended in accordance with the 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 2021;
- the statement of financial position as at 31 December 2021;
- 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 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 Three 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 the 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 comprehensive income are in agreement with the books of account and returns.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
3G/ICAN
1161665

Oladele Oladipo

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

14 March 2022

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

Statement of Profit or Loss and Other Comprehensive Income

	Note	31 December 2021 N'000	31 December 2020 N'000
Finance income	4	1,682,498	1,661,545
Finance cost	6	(1,682,498)	(1,661,554)
Net finance cost		-	(9)
Operating expenses	5	(5,839)	(2,000)
Expected credit loss reversal/(allowance)	7	22,678	(22,678)
Profit/(loss) before tax		16,839	(24,687)
Income taxation expense	8	-	-
Profit/(loss) for the year		16,839	(24,687)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		16,839	(24,687)
Earning/(loss) per share:			
Basic and diluted (Naira)	14	0.84	(1.23)

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

Statement of Financial Position as at 31 December 2021

	Note	31 'December 2021 N'000	31 'December 2020 N'000
Non - Current Assets			
Due from related parties	9	9,171,239	11,350,162
		9,171,239	11,350,162
Current Assets			
Due from related parties	9	2,283,716	58,207
Cash and cash equivalents	10	24,300	4,300
		2,308,016	62,507
Total Assets		11,479,255	11,412,669
Non- Current Liabilities			
Borrowings	11	9,174,129	11,355,731
		9,174,129	11,355,731
Current Liabilities			
Borrowings	11	2,283,716	58,207
Other payable and accruals	12	9,840	4,000
		2,293,556	62,207
Total Liabilities		11,467,685	11,417,938
Equity attributable to Shareholders			
Ordinary Share Capital	13	20,000	20,000
Retained losses		(8,430)	(25,269)
Total Equity		11,570	(5,269)
Total Equity and Liabilities		11,479,255	11,412,669

The financial statements and notes on page 12 to 29 were approved by the Board of Directors on 14/03/2022 and signed on its behalf by:

Mr. Charbel Antoun	Mc Michael Patrick John	Mrs. Olanrewaju Sanusi
Director	Director	Chief Financial Officer
FRC/2020/003/00000021232	FRC/2020/002/00000021231	FRC/2014/ICAN/00000006165

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 2020	20,000	(582)	19,418
Loss for the year	-	(24,687)	(24,687)
At 31 December 2020	20,000	(25,269)	(5,269)
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

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

Statement of Cash Flows

	Note	31 December 2021 N'000	31 December 2020 N'000
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit/(loss) before tax for the year		16,839	(24,687)
Adjustments :			
Accrued interest income	4	(1,682,498)	(1,661,545)
Impairment reversal	9	(22,678)	22,678
Interest expense	6	1,682,498	1,661,545
		(5,839)	(2,009)
Changes in working capital:			
Increase in other receivable		20,000	(40,152)
Increase in other payables and accruals		5,839	2,000
Cash used in operations		20,000	(40,161)
Net cash used in operating activities		20,000	(40,161)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from borrowings		-	40,943
Interest received		1,638,590	1,662,544
Interest paid		(1,638,590)	(1,662,544)
Net cash generated from financing activities		-	40,943
NET CHANGE IN CASH AND CASH EQUIVALENTS		20,000	782
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		4,300	3,518
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		**24,300**	**4,300**

The notes on pages 16 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).

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. There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

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 2021:
• Covid-19-related-rent-concessions-ammendment to IFRS 16, and
• Interest rate benchmark reform-Phase 2-ammendments to IFRS 9,IAS 39,IFRS 7,IFRS4 and IFRS 16.
The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future 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, 2022 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining eliminated against the carrying amount of the investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss. The effective date of the amendment is to be determined by the IASB. It is unlikely that the amendment will have a material impact on the company's unaudited financial statements.

IFRS 17 Insurance Contracts

The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. The effective date of the standard is for years beginning on or after January 1, 2023. The company expects to adopt the standard for the first time in the 2023 financial statements. It is unlikely that the standard will have a material impact on the company's unaudited financial statements.

Onerous contracts – cost of fulfilling a contract amendments to IAS 37

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The effective date of the standard is for years beginning on or after January 1, 2022.

2.3 New standards and interpretations (continued)

Annual improvements to IFRS standards 2018–2020

The following improvements were finalised in May 2020:

IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

IAS 41 Agriculture – removal of the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41. This amendment is intended to align with the requirement in 'the standard to discount cash flows on a post-tax basis.

The effective date of the standard is for years beginning on or after January 1, 2022.

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

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. The effective date of the standard is for years beginning on or before January 1, 2023.

Definition of Accounting Estimates – Amendments to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The effective date of the standard is for years beginning on or before January 1, 2023.

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.

Notes to the financial statements

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.

Impairment

The company recognises a loss allowance for expected credit losses on other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date. The company measures the loss allowance for other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

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.

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 2021			
Borrowings	3,856,588	12,149,111	16,005,699
Other payables	9,840	-	9,840
Total	3,866,428	12,149,111	16,015,539

	Due within one year N'000	1 - 5 years N'000	Total N'000
31 December 2020			
Borrowings	1,638,578	16,005,699	17,644,277
Other payables	4,000	-	4,000
Total	1,642,578	16,005,699	17,648,277

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	24,300	-
Due from related parties	2,283,716	9,171,239
31 December 2021	2,308,016	9,171,239

	Due within one year N'000	Due after one year N'000
Cash and cash equivalents	4,300	-
Due from related parties	58,207	11,350,162
31 December 2020	62,507	11,350,162

Consideration of impairment has been detailed in Note 9a.

Cash and cash equivalents Counterparties with external credit ratings	31 'December 2021 N'000	31 'December 2020 N'000
AAA	24,300	4,300
	24,300	4,300

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 2021 N'000	**31 'December 2020 N'000**
Borrowings:	11,457,846	11,413,938
Less: cash and cash equivalents	(24,300)	(4,300)
Net debt	11,433,546	11,409,638
Equity	11,570	(5,269)
Net debt to equity ratio	988	(2,165)

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 2021 is N12.4 billion. (31 December 2020: N14.4 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 2021 is N12.4 billion. (31 December 2020: N14.4 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 2021 N'000	31 December 2020 N'000
4 Finance income		
Accrued interest on loan advances to parent	1,682,498	1,661,545
	1,682,498	1,661,545
5 Operating expenses		
Audit fees	5,375	2,000
Other expenses	464	-
	5,839	2,000

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	1,682,498	1,661,545
Bank charges	-	9
	1,682,498	1,661,554

This relates to interest expense on bond issued.

7 Expected credit loss allowance		
Due from related parties	22,678	(22,678)
	22,678	(22,678)

8 Taxation

Income taxation expense

The Companies Income Tax (Exemption of Bonds and Short-Term Government Securities) Order, 2011 made in pursuance of section 23 (2) of CITA specifically exempts all categories of bond (including corporate bonds) and other government securities from tax. This also includes interest earned by the holders of Government and corporate bonds. This means that such bonds are exempt from tax (CIT at 30% and Tertiary Education Tax -TET at 2%) for a period of 10 years in the hands of bondholders including non-residents commencing from 2 January 2011.

	31 December 2021 N'000	31 December 2020 N'000
9 Due from related parties		
Intercompany bond receivable	11,396,813	11,352,840
Unpaid share capital	-	20,000
Accrued interest receivable	58,142	58,207
Loss allowance	-	(22,678)
	11,454,955	11,408,369

The N11.4 billion due from related party represents the loan of N11.5 billion given to parent company, net of N214 million transaction cost, and accrued interest on the bond. In the current year, the unpaid share capital was paid in full. Also in the current period, expected credit loss of N22 million was reversed.

	31 December 2021 N'000	31 December 2020 N'000
9 Due from related parties		
Current	2,283,716	58,207
Non - Current	9,171,239	11,350,162
	11,454,955	11,408,369

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 2021 Estimated gross carrying amount at default N'000	31 December 2021 Loss allowance (12 month expected credit loss) N'000	31 December 2020 Estimated gross carrying amount at default N'000	31 December 2020 Loss allowance (12 month expected credit loss) N'000
Due from related parties				
Current 0.01% (2020: Nil)	11,454,955	-	11,352,840	-
Outstanding for 0 - 3 months: 1% (2020: 4.6%)	-	-	58,207	(2,678)
Outstanding for 4 - 11 months: 0% (2020: 100%)	-	-	20,000	(20,000)
	11,454,955	-	11,431,047	(22,678)

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 2021 N'000	31 December 2020 N'000
Opening balance in accordance with IFRS 9	**(22,678)**	**-**
Provision raised on new receivables	-	(22,678)
Provisions reversed on settled trade receivables	22,678	**-**
Closing balance	-	(22,678)

The unpaid share capital on N20 million was paid during the 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 current period. We did not make any provision for ECL in 2021 on the related party receivable of N11.4billion because the identified expected credit loss on the balance is considered immaterial as the risk is not significant.

Notes to the financial statements

9 Due from related parties

The reconciliation of gross carrying amount for the company is as follows:	**31 December 2021**	**31 December 2020**
	N'000	**N'000**
Gross carrying amount as at 1 January	11,431,047	11,372,840
Addition during the year	97,062	145,083
Receipts during the year	(73,154)	(86,876)
Gross carrying amount as at closing period	11,454,955	11,431,047

	31 December 2021	**31 December 2020**
	N'000	**N'000**
10 Cash and cash equivalents		
Cash at bank - Naira	24,300	4,300
	24,300	4,300

11 Borrowings

	31 December 2021	**31 December 2020**
	N'000	**N'000**
Corporate Bonds	11,399,704	11,355,731
Accrued interest on bonds	58,142	58,207
	11,457,846	11,413,938

The sum of 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. The actual bond amount is N11.5 billion less transaction cost of N214 million. N40 million was refunded from bank in February 2020 as an amount over charged on transaction cost. This reduced the transaction cost from N214 million to N173 million in 2020. A principal repayment of N2.3 billion is due in 2022. There is also a accrued interest payable as at year end of N58 million. These have been classified as the current portion of the liability in the statement of financial position at 31 December 2021. The borrowing is analysed into the following :

	31 December 2021	**31 December 2020**
	N'000	**N'000**
Amortised cost	11,413,938	11,373,994
Proceeds from bond issue	-	40,943
Interest expense*	1,682,498	1,661,545
Interest paid	(1,638,590)	(1,662,544)
Total	11,457,846	11,413,938

* Interest expense is calculated using the effective interest rate of 14.43% to the amortised cost.

	31 December 2021	**31 December 2020**
	N'000	**N'000**
Non-current	9,174,129	11,355,731
Current	2,283,716	58,207
	11,457,845	11,413,938

12 Other Payables and accruals	**31 December 2021 N'000**	**31 December 2020 N'000**
Professional fee payable	2,688	-
Due to related party	7,152	4,000
	9,840	4,000

Due to related party largely relates to audit fees paid by the parent company (N6.7 million) and other expenses incurred on behalf of ENG SPV Plc by the parent company.

13 Ordinary Share Capital	**31 December 2021**	**31 December 2020**
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	-
Issued and fully allotted		
20 million ordinary shares of N1 each	20,000	20,000
	20,000	20,000

14 Earnings/(loss) per share

Basic earnings/(loss) 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 2021 N'000	**31 December 2020 N'000**
Profit/(loss) for the year attributable to shareholders	16,839	(24,687)
Weighted average number of ordinary shares in issue	20,000	20,000
Basic earnings/(loss) per share	0.84	(1.23)

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 2021 (2020: 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 related party in the normal course of business. This is disclosed below:

		31 December 2021 N'000	31 December 2020 N'000
a) Related party receivables			
Eat 'N' Go Limited	Ultimate parent	11,454,955	11,408,369
		11,454,955	11,408,369

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 (2020: nil).

18 Capital commitments

There are no capital commitments from the company in the year under review (2020: nil).

19 Events after reporting period

Effective from 2, January 2022, incomes accruing to companies on Bonds issued by corporate and supra-national bodies, State governments, Local government and their agencies shall be liable to Companies Income Tax at the prevailing rates as specified in CITA as well as Tertiary Education Tax at 2% for medium and large companies. Similarly, profits or gains arising from trading on short-term Federal Government securities such as treasury bills and promissory notes, e.t.c., will be liable to income tax. This would have an effect in subsequent years after the reporting date.

Other National Disclosures

Value added statement

	31 December 2021 N'000	%	31 December 2020 N'000	%
Finance income	1,682,498		1,661,545	
Other income	(5,839)		-	
Bought in materials and services (all local)	22,678		(24,678)	
Value added	1,699,337	100%	1,636,867	100%
Applied as follows:				
To pay providers of capital:				
Interest on borrowings	1,682,498	99%	1,661,554	102%
Retained profit/(loss) for the year	16,839	1%	(24,687)	(2%)
Value added	1,699,337	100%	1,636,867	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.

Three - year financial summary

	2021 N'000	2020 N'000	2019 N'000
Financial position			
Capital employed:			
Ordinary share capital	20,000	20,000	20,000
Retained earnings	(8,430)	(25,269)	(582)
Total equity	**11,570**	**(5,269)**	**19,418**
Represented by:			
Non-current assets	9,171,239	11,350,162	11,390,893
Net current assets/(liabilities)	14,460	300	(85,357)
Non-current liabilities	(9,174,129)	(11,355,731)	(11,286,118)
Net assets	**11,570**	**(5,269)**	**19,418**
Net assets per share (Naira)	0.58	(0.26)	0.97
Financial results			
Revenue from contracts with customers	-	-	-
Gross profit	-	-	-
Net operating expenses	16,839	(24,678)	(2,000)
Operating profit	16,839	(24,678)	(2,000)
Finance cost - net	-	(9)	1,418
Profit/(loss) before tax	16,839	(24,687)	(582)
Income tax (credit)/expense	-	-	-
Profit/(loss) for the year	16,839	(24,687)	(582)
Basic earnings/(loss) per share (Naira)	0.84	(1.23)	(0.03)