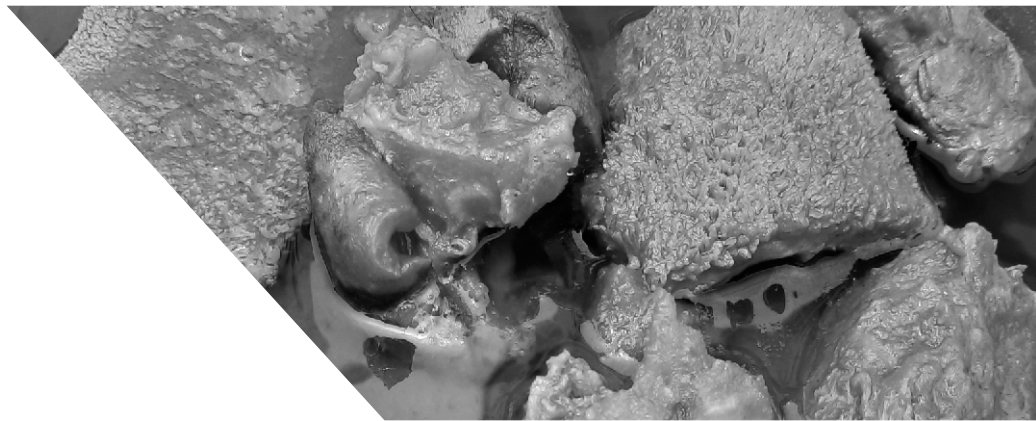


TANTALIZERS PLC

**2022
ANNUAL REPORT
& ACCOUNTS**



Tantalizers
...every bite, a promise kept

TANTALIZERS PLC

Vision

To be a quality food service provider of first choice

Mission

To passionately provide at all times, exceptional taste and pleasurable experience

Corporate Values

- Passion
- Integrity
- Innovation
- Excellence

Key Objectives

- To be best known for quality of offerings
- To be a one-stop shop for all food offerings
- To be present in key and profitable locations
- To innovatively surpass customers expectation by setting the standard for quality and service in the industry

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■ DIRECTORS

Dr. Jaiye Oyedotun	- Chairman
Mr. Mofoluso Ayeni	- Vice Chairman
Mrs. Abosedede Ayeni	- Managing Director/CEO
Mr. Bamidele Oke	- Executive Director
Mr. Tunji Bello	- Director
Mr. Muyiwa Kupoluyi	- Director
Omooba Yemisi Shyllon	- Director

■ REGISTERED OFFICE

Makay Plaza, 21 Road, I Close, Festac Town, Lagos.
Tel: 07015999131, 07015999164
tantalizers@tantalizersng.com
www.tantalizersng.com



■ COMPANY SECRETARY/ LEGAL ADVISER

Mrs. Bamidele Dambo

■ REGISTRARS & TRANSFER OFFICE

Meristem Registrars and Probate Services Limited
213 Herbert Macaulay Way, Yaba, Lagos.
Tel: 01-2809250-4; 01-2706312
info@meristemregistrars.com
www.meristemregistrars.com

■ AUDITORS

Abiodun Aina & Co. (Chartered Accountants)
Rights House, 43 Adeniyi Jones Avenue,
Ikeja, Lagos.
Tel: 08066083252
Email: ishola@abiodunainang.com
www.abiodunainang.com

■ BANKERS

Eco Bank Plc
Polaris Bank Ltd
UBA Plc

■ AUDIT COMMITTEE

Mr. Muyiwa Kupoluyi	- Chairman
Omooba Yemisi Shyllon	
Mr. Adebisi Babarinde	
Mr. Peter Eyanuku	
Mr Jide Onifade	

RESULT AT A GLANCE

	2022 =N=000	2021 =N=000	% change incr/(decr)
System Revenue	2,427,148	2,759,005	(12)
Tantalizers Revenue	1,163,820	1,270,277	(8)
Operating Profit/(Loss) after Finance Income and Costs	(241,790)	(199,870)	(21)
Current year Taxation	(22,302)	(14,952)	49
Profit/(Loss) after current year Taxation	(264,091)	(214,822)	(23)
Shareholders' Fund	653,374	49,847	1,211
Earnings per 50k share basic (kobo)	(8k)	(7k)	-
Earnings per 50k share diluted (kobo)	(8k)	(7k)	-
Dividend per 50k share (kobo)	0	0	-

Notice is hereby given that the 25th Annual General Meeting (AGM) of TANTALIZERS PLC will be held at IJEWERE HALL, BANKERS HOUSE, ADEOLA HOPEWELL STREET, VICTORIA ISLAND, Lagos, on Tuesday, November 28, 2023 at 10.00am to transact the following:

ORDINARY BUSINESS:

1. To receive the Report of the Directors, the Audited Financial Statements for the year ended 31 December, 2022 together with the Reports of the Auditors and the Audit Committee thereon.
2. To re-elect the Directors retiring by rotation.
3. To authorize the Directors to fix the remuneration of the External Auditors.
4. To disclose the remuneration of Managers of the Company
5. To elect members of the Audit Committee.

SPECIAL BUSINESS

6. To approve the non-executive Directors' remuneration for 2024 financial year.

NOTES:

Proxies:

Only registered shareholders are entitled to attend and vote at the meeting or appoint a proxy in their stead. A copy of the proxy form is at the Company's website: www.tantalizersng.com to be downloaded, completed and deposited at the registered offices of the Company or the Registrars': Meristem Registrars and Probate Services Limited, 213, Herbert Macaulay Way, Yaba, Lagos, not less than 48 hours prior to the time of the meeting.

Closure of Register of Members

The Register of members will be closed from Monday, Nov. 13 to Friday, Nov. 17, 2023 (both days inclusive) for the purpose of review and update.

Audit Committee

In accordance with Section 359 (5) of the Companies & Allied Matters Act (Cap C20 Laws of the Federation of Nigeria 2004), any shareholder may nominate another shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the AGM.

Please note the provisions of the Nigerian Code of Corporate Governance (NCCG) 2018 issued by the Financial Reporting Council of Nigeria which provides that all members of the committee should be financially literate and should be able to read and understand financial statements. At least one member of the committee should be a financial expert, have current knowledge in accounting and financial management and be able to interpret financial statements.

Nominations must therefore be accompanied by a copy of the nominee's curriculum vitae.

Right of Shareholders to Ask Questions

Pursuant to Rule 19.12 (c) of the Nigerian Exchange Limited's Rulebook 2015, every shareholder has a right to ask questions at the meeting and also in writing prior to the meeting. Such questions must be submitted to the Company not later than two weeks before the date of the meeting.

Annual Report & Unclaimed Dividend List

Shareholders who wish to receive electronic copies of the Annual Report & Accounts and Unclaimed Dividends list should please send their names and email addresses to the Registrars at info@meristemregistrars.com.

Dated this 30th Day of October, 2023.

BY ORDER OF THE BOARD

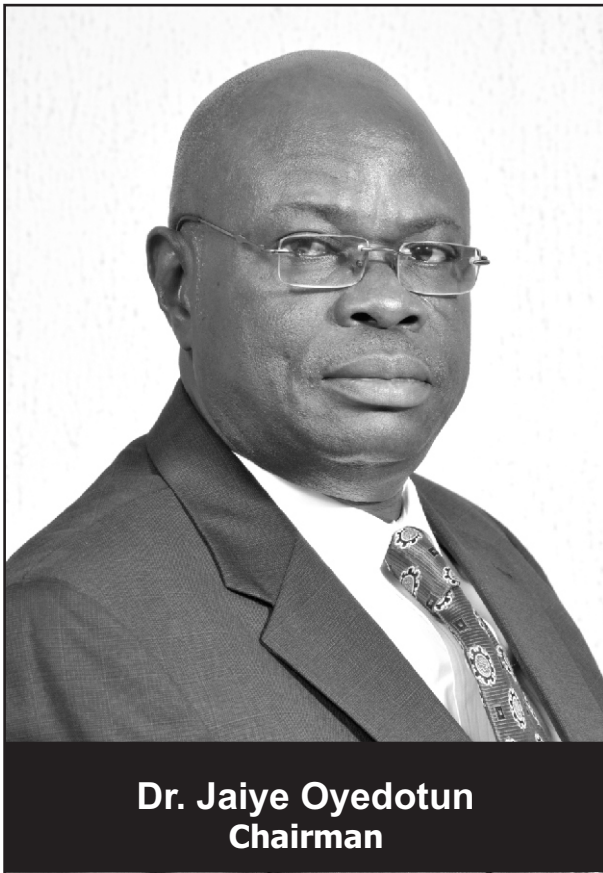


Bamidele A. Dambo (Mrs)
Company Secretary
FRC/2014/NBA/00000007237



- Chairman's Statement
- Company Profile
- Corporate Governance Report
- The Board of Directors
- Report of the Directors





Dr. Jaiye Oyedotun
Chairman

Fellow Shareholders, Board Members, ladies and gentlemen, I welcome you to this year's Annual General Meeting for the presentation of the Financial Statements and Accounts of our Company for the year ended 31st December, 2022. On behalf of the board, I apologize for the delay in convening this year's meeting later than usual.

Introduction

The Nigerian economy in line with the rest of the world performed poorly in 2022 as a result of the backlash of the Russian – Ukraine war. Our situation was further compounded by the massive drop in oil production resulting from increased oil theft and the flooding witnessed in several states which hampered agricultural produce. These and some of our Company's lingering internal factors contributed to the poor result of 2022.

Socio-Economic Environment

The Nigerian economy grew by 3.1% in 2022 compared to the 3.4% growth of 2021.

Although crude oil price peaked at \$115 per barrel, the activities of vandals significantly limited output to a maximum 1.2M barrels per day which was far below the 1.88M barrels budgeted.

Although external reserve was better in 2022 with a peak of \$39.5B, this could not hedge the economic fundamentals. The free fall of the Naira continued all through 2022 ending officially at ₦442 per dollar. The parallel market rate however was much higher at ₦723 to a dollar.

Inflation rose steadily throughout 2022 ending the year at 21.34% against 2021 figure of 15.63%. Food inflation rate was even higher at 23.75% when compared to 2021 which closed with an inflation rate of 17.37% reflecting the higher prices of local raw materials.

Electricity generation and distribution did not fare better with frequent occurrences of system collapse. Diesel prices continued its upward trend ending the year at ₦830 per litre against ₦340 at end of 2021. Petrol (PMS) price also moved from ₦165 per litre to ₦185. All of these had a great impact on our utility cost, and is evident in the astronomical increases seen in operating costs and the resultant drop in profitability. All of these cost increases could not be totally transferred to our customers.

Security situation remained a challenge in 2022. Unemployment (estimated at 5.76% by NBS) and underemployment led to lower disposable income and purchasing power which ultimately affected 2022 revenue performance.

Operational Activities

The Company opened two franchise stores in 2022 – one in Uyo, being the second Tantalizers store in the city and in Shomolu, Lagos. Both outlets are doing well. No new corporate store was opened because of funding challenges.

Unfortunately, four stores, three corporate and one franchise, were closed in 2022 as a result of poor performance. The combination of the outlets closure and non-replacement through new outlet opening impacted our ability to achieve our revenue plan in 2022.

The improved performance of the Bakery business stream continued in 2022 and this contributed significantly to revenue performance while buttressing the need for adequate working capital to take advantage of the opportunity that bread consumption presents.

Our focus on e-commerce yielded fruits as revenue from this stream grew appreciably over the 2021 performance. Major contributing factor here is the partnership with Jumia.

The visual appeal of our stores is beginning to affect customer traffic negatively.

Our outlets are aging and the facilities are becoming dated. Unfortunately, outlets upgrade and the planned re-branding program could not be implemented in the face of our severe working capital challenges.

With the steady increase in raw material and utility costs our product prices were reviewed several times making the year one of the highest in price adjustments. Despite these frequent price adjustments, we could not fully recover all the cost increases. This contributed significantly to the lower gross margin recorded in the year.

The absence of adequate funding continues to limit the Company on several fronts. We have however made some progress on the investor search. After the Shareholders' mandate received at the Extraordinary General Meeting held in December 2022, we have been able to approach the Securities and Exchange Commission for the special placement of our unissued shares to an interested Investor group. We hope to conclude this process by the year end.

Company Performance

In 2022, total system revenue of N2.43B was achieved. This is 12% lower than our previous year's performance. The Company revenue of N1.16B is also 8% decrease on 2021 performance.

The poor performance of 2022 was due principally to our deteriorating working capital position which resulted in missed opportunities. The closure of some franchise and corporate stores and non opening of replacement stores equally contributed to the low revenue achievement.

Unfortunately, all of these resulted in a pre-tax loss of ₦264M.

Future Outlook

2023 is almost ending and the Nigerian economic climate has been worse than 2022.

The GDP growth in the first half year was 2.41% and the economy will require an average growth rate of 3.30% in the second half to meet the 2.85% forecasted for 2023. Even if achieved, this will still be lower than the actual growth of 3.10% achieved in 2022.

On a positive note, Crude Oil price has been consistently high in the first ten months of the year averaging \$80 per barrel; riding on the Russian – Ukraine war. The forecast for the rest of the year is even higher based on the current escalation of the Middle East conflict. Although 2023 average production of 1.2MBD exceeded 2022 performance, this is still lower than the 2023 budgeted figure of 1.69 MBD and the OPEC quota for the country.

At the inception of the new government on May 29, 2023, Petrol subsidy was removed. As a result, cost of Petrol (PMS) skyrocketed from the ₦285 per litre level early in the year to the present average price of ₦615. The immediate impact is seen in the increasing cost of goods and services, the demand for higher wages by workers and significant increase in distribution expenses.

In addition, the new government liberalized the foreign exchange markets without adequate supply of dollars. This has led to a significant devaluation of the naira and a huge gap between the official and parallel market rates. By the end of October, the inadequate supply to meet demand has created a ₦300 gap between the official rate and the parallel market price. This has further worsened inflation in the last two quarters.

At end of Q3, the inflation rate was 26.72%, compared to 20.77% same period 2022. Of major concern, is the food inflation rate of 30.64% which underscores the increasing costs of raw materials for the industry, which unfortunately cannot be 100% recovered through price adjustments.

Diesel price went further higher than the 2022 level due to the impact of naira depreciation and high price of crude oil. The current price of ₦1,100 per litre is a far cry from the ₦830 we started with in January. This and the removal of fuel subsidy have pushed utility cost to become a significant portion of our operational costs.

Electricity supply has improved so far in 2023 but, the increasing tariff remains a major concern.

The general economic hardship is seen in the low purchasing power and disposable income, in the face of rising costs and prices. Unemployment as well as underemployment is on the increase and all of these are having effect on customer throughput.

Short and medium term palliatives are being given by the Federal and State governments to cushion the suffering of the citizenry and jump-start the economy. It is hoped that this will help relieve pressure to some extent for the rest of the year.

Key Priorities for the Future

Our key priority for rest of the year is to see to the successful completion of the private placement process and bring in the required equity injection needed to reposition the Company. This is critical to lay the foundation for future growth of revenue required to cover the increasing costs of running the business.

Unfortunately our profit projection for 2023 is a loss of about ₦240m which though lower than the ₦264m loss posted for 2022, could have been much lower if the challenges surrounding working capital adequacy had been eliminated.

We must take advantage of the yuletide season by ensuring an improvement in raw materials supply using special purpose bridge funding.

We are broadening our range of ice cream with the introduction of more brands and improving our breakfast offerings with the addition of Croissants to the range. We will continue to support these new additions to our product range.

The Bakery arm of our business has been particularly hit with the rising cost of inputs. The demand for bread, however, remains high. We will support the bakery to maximize any opportunity that can be tapped.

We will push more local store marketing to boost specific outlet performance and continue with our affordable (value) meals proposition. Our collaborations and partnerships in the e-commerce space will be strengthened to continue its upward trajectory.

Key strategic decisions must be taken on EBITDA negative stores to protect the Company's profitability.

We will source and use cheaper alternative energy options in the outlets to reduce our utility costs.

The inflow from equity partners must come in this year to enable us start the implementation of the Company repositioning and rebranding program. The expected funding as highlighted at the EGM will be used for expansion, working capital augmentation and rebranding of existing stores.

If achieved, these will strongly assist to reposition the Company, making it stronger to compete, improve stores profitability, attract good Franchisees and improve workers motivation and retention.

Conclusion

In the course of 2022, Mr. Gbolahan Labinjo, our erstwhile Deputy Managing Director resigned his appointment in the Company after eight years of meritorious service. He has since moved on to other interests but remains a part of the Tantalizers family. On your behalf, I wish to thank him for his contribution to the Company and wish him well in his future endeavors.

2022 was a very challenging year and 2023 appears to be even worse. In spite of all the various economic turbulences, your Company still stands where many have gone under. Though, we could not declare any dividend, we believe that the end of our challenges is in sight.

Dear distinguished shareholders, we appreciate your understanding and support over the years and we are not taking this for granted. We will work to eventually turn around the fortune of the Company.

Thank you and may God bless you all.



Dr. Jaiye Oyedotun
Chairman, Board of Directors

Tantalizers Plc is a leading fast food company established in May 1997 with a promise to deliver full value for money to an increasingly discerning target audience.

Over the years, Tantalizers Plc has set and maintained high quality and excellent service standards in the Quick Service Restaurant business. The company pioneered the integration of African menu into fast food operations.

Tantalizers as at 31st December, 2022 has 34 outlets. These outlets are spread across Lagos, Oyo, Rivers, Ogun, Ondo, Ekiti, Nasarawa, Akwa Ibom, Edo, Delta States and FCT.

Tantalizers provides direct and indirect employment for at least 1,000 Nigerians and supports hundreds of suppliers and their employees across the country.

MILESTONES

May 1997	First outlet opened
May 2001	The novelty of Tantalizers Africana line of products was introduced
Feb 2002	The Company hit the 10-outlet mark with the opening of Okota outlet
Dec 2002	The business expanded out of Lagos to the Northern part of Nigeria, opening its first outlet in Wuse Zone 3, Abuja
Jun 2003	Tantalizers expanded to the Western part of the country when it opened its first outlet in Ibadan
Jan 2004	The Company hit the 20-outlet mark •The first franchise commenced operations in Abuja
Jan 2004	Operations commenced in the Eastern part of Nigeria with the opening of the Port Harcourt outlet
Year 2005	Tantalizers became a member of Nigeria International Franchise Association
Year 2007	Full roll out of the Tantalizers franchise. One company owned and Five (5) franchise outlets opened.
Year 2008	Private Placement was done in January and February
Year 2008	Tantalizers became a Public Quoted Limited Liability Company (PLC) in April and subsequent listing on Nigeria Stock Exchange in June
Year 2008	First meeting of the enlarged Board of Directors held on 3rd June
May 2009	First Annual General meeting as a quoted company
Feb 2010	Signed Funding agreement with the International Finance Corporation, IFC
Mar 2010	Funding Agreement with IFC ratified by Shareholders via an Extraordinary General Meeting
Oct 2011	Commencement of Live (real time on-line) deployment of data on Navision ERP project with the first set of outlets
Apr 2013	Disbursement of \$2.5m loan by IFC
July 2014	Commencement of Retro-franchising program
Sep 2017	Paid back IFC Loan

OUTLETS LOCATION

TOWN	OUTLET	ADDRESS	
Lagos	Festac I	Makay Plaza, I Close, 21 Road, Festac Town	
	Allen	117 Allen Ave, Opp Alade Shopping Mall, Ikeja	
	Alaba	154 Olojo Drive, Alaba Int.	
	Surulere	165 Ogunlana Drive, Surulere	
	Victoria Island	16, Adeola Hopewell Road, V/Island	
	Lagos II	81/87 Broad Street, Jn of Broad / Abibu Oki Street, Lagos	
	Satellite	391 Old Ojo Road, By Abule Ado Jn, Satellite	
	Ogba	58 Ijaiye Ogba Road, by Ijaiye Ogba / Thomas Salako Street Junction	
	Iyana Ipaja	64 Ipaja Road, Iyana Ipaja	
	RUN	Redemption Camp, Km 46 Lagos - Ibadan Express Way	
	Palmgrove	63 Shipeolu Street, Palmgrove	
	Ikorodu	39 Lagos Road, Ikorodu	
	Oyingbo	73 Murtala Mohammed Way	
	Ikotun	14 Ikotun Idimu Road	
	Alapere	3 Oluwakemi Street, Last Bus stop, Alapere	
	NIPCO, Ikorodu	NIPCO Filling Station, Ile-Epo Oba, Sabo, Ikorodu	
	Festac (23 Road)	23 Road, by UBA, Festac Town	
	Kudirat Abiola	Conoil Filling Station, 75 Kudirat Abiola Way, Oregon	
	Odogunyan, Ikorodu	Enyo Filling Station, by Odogunyan Market, Ikorodu	
Shomolu	65 Market Street, by Bajulaiye B/Stop, off Morocco Road, Shomolu, Lagos		
Abuja	Mararaba	Opp. Building Materials Market, Abuja-Keffi Road, Mararaba	
	Ibadan	Mokola	Mokola Round about, Mokola, Ibadan
		Challenge	Challenge Roundabout, Challenge, Ibadan
		Iwo road	Iwo Road roundabout, Iwo Road, Ibadan
P/H	Aba Road	236 Aba Road, by Bori Camp, Port Harcourt	
	Abeokuta	Obantoko	Mobil Filling Station, Obantoko, Abeokuta
		Lafenwa	Opposite Lafenwa Police Station, Abeokuta
Ado-Ekiti	Ado-Ekiti	Fajuyi Road / Oke-Isa Road, by Governor's office	
	Sango Ota	Sango Ota	By Former Tollgate, Lagos-Abeokuta Express
		Uyo 1	Along Abak Road, opp Indongesit Akanga Secretariat, Uyo
Uyo	Uyo 2	254, Nwaniba Road, by Ekpri Nsukara Junction, Uyo	
	Benin	Benin	96, Uselu-Lagos Road, Benin City
		Warri	Effurun
Ikare-Akoko	Ikare-Akoko		Forte Oil Filling Station, Jubilee Road, Ikare-Akoko

VISION

“To be a quality food service provider of first choice”

MISSION

“To passionately provide at all times, exceptional taste and pleasurable experience”

CORPORATE VALUES

- **Passion**
- **Integrity**
- **Innovation**
- **Excellence**

KEY OBJECTIVES

- To be best known for quality of offerings
- To be a one-stop shop for all food offerings
- To be present in key and profitable locations
- To innovatively surpass customers’ expectation by setting the standard for quality and service in the industry

LISTING ON THE NIGERIAN STOCK EXCHANGE (NSE)

Between January 17th and February 18th 2008, Tantalizers did a Private Placement that was oversubscribed to raise fund for Outlet expansion / re-branding, reduction of loan facilities, working capital augmentation and IT / Process automation via offering of Tantalizers shares to a select group of Nigerian investors.

After the private placement, Tantalizers took the decision to transform the Company into a Public Limited Liability Company (PLC).

Towards creating an exceptional brand, Tantalizers Plc, became quoted by listing 2.95billion ordinary shares of 50K each at N3.50 per share on the floor of the Nigerian Stock Exchange (NSE) in June 2008.

BOARD OF DIRECTORS

The Board of Tantalizers Plc is made up of eminent professionals who have made their marks in their respective fields of endeavour, thereby bringing several years of experience to bear on the Company. The following are the board members;

- | | | | |
|-------------------------|---|--------------------------|--------------------------------------|
| 1. Dr. Jaiye Oyedotun | - Chairman | 5. Mr. Bamidele Oke | - Executive Director |
| 2. Mr. Mofoluso Ayeni | - Vice Chairman | 6. Mr. Tunji Bello | - Non-Executive Director |
| 3. Mrs. Abosede Ayeni | - Managing Director / CEO | 7. Mr. Muyiwa Kupoluyi | - Non-Executive Director |
| 4. Mr. Gbolahan Labinjo | - Deputy Managing Director
(Resigned w.e.f 30/11/22) | 8. Omooba Yemisi Shyllon | - Independent Non-Executive Director |

EXECUTIVE COMMITTEE

Tantalizers Plc has a well defined management structure with seasoned professionals. The Executive Committee members saddled with the day to day running of the Company are;

- | | |
|-------------------------|---|
| 1. Mrs. Abosede Ayeni | - Managing Director / CEO |
| 2. Mr. Gbolahan Labinjo | - Deputy Managing Director & Head, Operations (Resigned w.e.f 30/11/22) |
| 3. Mr. Bamidele Oke | - Executive Director, Finance |
| 4. Mr. Segun Ekundayo | - Head, Supply Chain / Operations |
| 5. Mr. Henry Arebun | - Head, Marketing & Franchise |
| 6. Mr. Alfred Eburu | - Head, Finance |
| 7. Mrs. Bamidele Dambo | - Company Secretary / Head Legal |
| 8. Mrs. Folawe Adewakun | - Head, Brand Compliance |

PRODUCT RANGE

Tantalizers Plc has a wide range of quality product offerings for Eat-in, Take-away and Delivery. These are;

- Pastries (Meat Pie, Chicken Pie, etc)
- Fast Food Meals (Rice, Chicken, Burger, French Fries, Spaghetti, etc)
- African Meals (Swallows, Soups, Assorted proteins, etc)
- Desserts (Cakes, Ice Cream, Popcorn, etc)
- Side Items (Salads, Moin moin, Asun, etc)
- Drinks (Non-alcoholic)
- Breakfast (Tea, Coffee, Sandwiches, Oat Meal, etc)
- Bread (Sunshine Family, Jumbo, Roll, Oat, Fishy Roll, etc)
- Street Food - Tantis Grills n Grubs/Tantis on the Go

The Company also has special services for the convenience and delight of its customers namely;

- Breakfast Service
- Tantalizers Delivery Services
- Tantalizers Outdoor Services (T.O.S)
 - ↳ Outdoor Catering (Corporate & Individual Catering)
 - ↳ Industrial Canteen
 - ↳ Institutional Canteen (Tantalizers Cafeteria)

CORPORATE SOCIAL RESPONSIBILITY

Tantalizers Plc continues to discharge its obligation as a socially responsible corporate organisation. Tantalizers has been involved in Give-back Projects to the communities where its outlets are located through activities that impact directly the lives of the people. These include Products, Cash and Gift donations, environmental beautification, Seminars, Lectures, etc.

E-COMMERCE

Since April, 2020, Tantalizers has been involved in e-commerce and products delivery activities. We have since January, 2022 streamlined our e-commerce packages into two for improved performance. The first one is using our platform - www.tantalizersng.com and the other is the partnership with Jumia on Jumia Food e-commerce platform. Not only is our e-commerce revenue witnessing month-on-month growth, this particular business line is improving our brand awareness and equity.

TRACK RECORD

In recognition of Tantalizers' contribution to entrepreneurship development in the society, the Company has been given many awards by various organizations. Some of these organizations include SuccessDigest, Nigerian Institute of Marketing, NIMARK (now NIMN), University of Nigeria (UNN), Nigerian Institute of Management, NIM (Chartered), Financial Standard, African Travel Quarterly Magazine (ATQ), Nigerian Institute of Food Science and Technology (NIFST), Rotary Club of Festac Metropolitan (District 9110 Nigeria), etc

FUTURE PLANS

As part of the future plans, Tantalizers Plc intends to continue the optimization of its growth potentials. The Company is looking into business diversification and expansion into new products in the emerging taste profile areas that will be targetted at the younger population.

EXPANSION AND RENOVATION PLAN

The company has an ambitious expansion program aimed at tripling its existing number of stores within the next 5 years. This will be achieved via Franchising and entry into virgin territories using funds from the new Investors that will come on board.

Tantalizers Plc is fully committed to institutionalizing corporate governance precepts as an essential part of its corporate structure. The Management of the Company recognizes the need to create and maintain policies, procedures, systems and controls in line with international best practices, in an effort to ensure business success. Consequently, the Company has implemented key initiatives to protect the interests of all stakeholders, enhance leadership accountability and performance, and improve overall effectiveness of the organization.

Our governance framework strives to promote efficiency and effectiveness of our business. All activities related to governance are guided by some key overriding principles as follows:

- **Separation of management from ownership.**
- **Demarcation of Board and Management roles.**
- **Establishment of necessary committees to facilitate efficient operations.**
- **Clear terms of reference and accountability (charter) for committees.**
- **Adequate and effective checks and balances within the system.**

Examples of the Company's compliance with these corporate governance requirements during the year under review are as follows:-

I. Board of Directors – Composition and Independence

In the year under review, the board of Tantalizers Plc reduced to Seven (7) Directors, with the resignation of one of the Executive Directors. Five (5) are Non-Executive with one of them being the Independent Director. The Company recognizes the importance of the role of the Non-Executive Directors, all of whom increase the diversity of experience as well as bring objectivity and independence of thought to Board deliberations and decision making. The position of the Chairman is held by Dr. Jaiye Oyedotun, a Non-Executive Director, distinct from the position of the Managing Director which is held by Mrs. Bose Ayeni.

The board has a formal schedule of meetings each year and met 4 times in the year under review. Typically, board meetings consider a broad range of matters, including financial performance, risk assessment/policy, corporate strategy and execution and working capital management.

The Company held four (4) meetings during the 2022 financial year. The record of membership and attendance of Directors at Board meetings in the 2022 financial year is presented as follows:

Name	Meeting Date	Meeting Date	Meeting Date	Meeting Date	% of Attendance
	23-02-22	27-04-22	27-07-22	26-10-22	
Dr. Jaiye Oyedotun	•	•	•	•	100%
Mr. Mofoluso Ayeni	•	•	•	•	100%
Mrs. Abosede Ayeni	•	•	•	•	100%
Mr. Gbolahan Labinjo	•	•	•	•	100%
Mr. Muyiwa Kupoluyi	•	•	•	•	100%
Mr. Tunji Bello	•	Apology	•	•	75%
Mr. Bamidele Oke	•	•	•	•	100%
Omooba Yemisi Shyllon	•	•	•	•	100%

ii Board Committees:

For the year under review the Board had three committees: Remuneration/ Governance, Finance/Risk Assessment and Audit.

(a) Remuneration/Governance Committee:

The committee's overall responsibility is to develop a remuneration policy to attract, retain and motivate people of the highest caliber who have the skills needed to achieve the Company's objectives year on year. It ensures that it balances the interests of the shareholders, the company and Its employees. The committee is also tasked with reviewing existing governance procedures and practices in the light of current domestic and global developments in corporate governance.

The members of the Remuneration/Governance Committee are Mr. Mofoluso Ayeni, Mr. Muiyiwa Kupoluyi and Hon. Tunji Bello.

ATTENDANCE OF THE MEETING OF MEMBERS HELD IN JUNE 2022

MEMBERS	ATTENDANCE (JUNE)
Mr Mofoluso Ayeni	•
Mr. Muiyiwa Kupoluyi	•
Hon. Tunji Bello	•

(b) Finance/Risk Assessment Committee:

The committee is made up of some members of the board and executive management of the Company. The committee meets to review business procedures of the Company, makes decisions on issues of strategy, budgets, performance, resources, standards of conduct and evaluation of performance. The committee met four times during the financial year. Members of the committee who served during the year are Mr. Mofoluso Ayeni, Mr. Muiyiwa Kupoluyi, Omooba Yemisi Shyllon, Mrs Abosede Ayeni (Managing Director) , Mr. Dele Oke (ED Finance), Mr.Segun Ekundayo (Operations), Mr. Henry Arebun (Marketing), Mr. Alfred Eburu (Finance), Mrs Bamidele Dambo (Legal) and Mrs Folawe Adewakun (Brand Standard)

The record of Directors' attendance at this committee meetings held during the financial year under review is set below.

FINANCE /RISK ASSESSMENT COMMITTEE MEETINGS

Name	Meeting Date	Meeting Date	Meeting Date	Meeting Date	% of Attendance
	17-02-22	14-04-22	21-07-22	20-10-22	
Mr. Mofoluso Ayeni	•	•	•	•	100%
Mr. Muiyiwa Kupoluyi	•	•	•	•	100%
Mrs. Abosede Ayeni	•	•	•	•	100%
Mr. Bamidele Oke	•	•	•	•	100%
Omooba Yemisi Shyllon	•	•	•	•	100%

(c) STATUTORY Audit Committee:

In accordance with section 404(3) of the Companies and Allied Matters Act 2020, the Company has an Audit Committee comprising of two non-executive directors and three representatives of the shareholders carrying out its function as set out in section 404(7) of the Companies and Allied Matters Act, 2020

The Audit Committee met four times in the year under review. See below attendance of members of the Committee during the financial year January 1 to December 31, 2022:

Name	Meeting Date	Meeting Date	Meeting Date	Meeting Date	% of Attendance
	23-02-22	27-04-22	27-07-22	26-10-22	
Mr. Muyiwa Kupoluyi	•	•	•	•	100%
Omooba Yemisi Shyllon	•	•	•	•	100%
Mr. Jide Onifade	•	Apology	Apology	Apology	25%
Mr. Bisi Babarinde	•	•	•	•	100%
Mr. Peter Eyanuku	•	•	•	•	100%

iii Insider Trading.

The Company has adopted a Securities Trading Policy regarding securities transactions by its directors. The Board ultimately has the responsibility for the Company's compliance with the rules relating to insider trading. The Company's directors, executives and senior employees are prohibited from dealing with the Company's shares in accordance with the Investments & Securities Act, 2007. As required by law, the shares held by directors are disclosed in the Annual Report.

iv. Complaints Management Policy Framework.

In compliance with the Securities and Exchange Commission guidelines that all Capital Market Operators must develop a complaints policy framework on how to resolve complaints arising from issues covered under the Investment and Securities Act, 2007, the Company has a Complaints Management Policy that will ensure that all complaints and enquiries from the Company's shareholders are managed in a fair, impartial, efficient and timely manner.

v. CONFLICT OF INTEREST POLICY

In compliance with Section 13 of the Securities and Exchange Commission's Code of Corporate Governance for Public Companies, the Company has a conflict of interest policy that ensures transparency and seeks to protect the interest of the Company and its shareholders. This policy guides in identifying and handling potential and actual conflicts of interest involving the interests of the Board, its Directors and the Company regarding any matter that may come before the Board or any of its committees.

vi. COMMUNICATIONS POLICY

The board recognizes the need to communicate and disseminate information regarding the operations and management of the Company to all relevant stakeholders. The Company therefore has in place a Communications Policy in accordance with the requirements of the Securities & Exchange Commission. The Company's detailed Annual Report and Financial Statements, information on Company plans and other major corporate information are available to all stakeholders and the general public on the Company's website: www.tantalizersng.com.

vii. WHISTLE BLOWING POLICY:

The Company has put in place a Whistle Blowing Policy which provides an avenue for employees and third parties dealing with the Company to report concerns about any suspected misconduct which may arise from the violation of laws and regulations, the Company's Code of Business Conduct or the various policies, rules, standards and procedures under which the Company operates.

viii. QUALITY, ENVIRONMENT, HEALTH & SAFETY (QEHS)

Health and Safety holds significant importance among all operational activities and the Company is committed to integrate Quality, Environment, Health and Safety (QEHS) excellence into all its business activities, products and services. The Quality department enforces internal compliance and liaises with vendors to conduct inspections aimed at ensuring third party compliance. The department also works with food regulators, including NAFDAC, SON and other statutory compliance bodies relevant to the food industry. It is responsible for the operational controls, systems, procedures, resources and processes specifically designed to prevent activities and/or conditions that pollute the environment and affect the well-being of our employees and cherished customers.

The Company, while consistently striving to improve its QEHS standards, is committed to maintaining appropriate controls while conducting periodic reviews of the set goals.

ix. Compliance with Regulatory Requirements:-

For the year under review, all regulatory requirements were complied with, and to the best of our knowledge there was no contravention.

THE BOARD OF DIRECTORS



Dr. Jaiye Oyedotun
Chairman



Mr. Mofoluso Ayeni
Vice Chairman



Mrs. Abosede Ayeni
Managing Director/CEO

THE BOARD OF DIRECTORS



Mr. Tunji Bello
Non-Executive Director



Mr. Muyiwa Kupoluyi
Non-Executive Director



Omooba Yemisi Shyllon
Independent Non-Executive Director



Mr. Bamidele Oke
Executive Director

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REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 2022

1. ACCOUNTS

The Directors hereby submit their report together with the audited accounts of the Company for the year ended 31st December 2022.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of Quick Service Restaurant and Industrial/Outdoor Catering Services.

3. RESULTS FOR THE YEAR

	2022	2021
	N'000	N'000
System Revenue	<u>2,427,148</u>	<u>2,759,000</u>
Tantalizers Revenue	1,163,820	1,270,277
Trading Profit	415,637	508,582
Other Income	478,466	354,973
Profit/(Loss) before Taxation	(241,790)	(199,870)
Taxation	(22,302)	(14,952)
Profit/(Loss) after Taxation	(264,091)	(214,822)

4. LEGAL FORM

The Company was incorporated as a Private Limited Company in June 1997 and was converted to a Public Limited Company on 23rd April 2008. The shares became quoted on the Nigeria Stock Exchange on 23rd June 2008.

5. DIRECTORS

The names of the Directors on the Board are as follows:

Dr. Jaiye Oyedotun	Chairman
Mr. Mofoluso Ayeni	Vice-Chairman
Mr. Tunji Bello	Non-Executive Director
Mr. Muyiwa Kupoluyi	Non-Executive Director
Mrs. Grace Abosede Ayeni	Managing Director/CEO
Mr. Gbolahan Labinjo	Executive Director (Resigned w.e.f 30/11/22)
Mr. Bamidele Oke	Executive Director
Omooba Yemisi Shyllon	Independent Non-Executive Director

In accordance with the provisions of **Section 285(1) of the Companies and Allied Matters Act 2020 Cap. C20 LFN 2004**, and subject to **Article 3 of the Memorandum and Articles of Association** of the Company (as amended), one third of the non executive directors of the Company shall retire from office by rotation. Dr. Jaiye Oyedotun and Mr. Tunji Bello retire by rotation and being eligible offer themselves for re-election.

6. SHARE CAPITAL HISTORY

The following changes have taken place in the Company's authorised and issued share capital since its incorporation

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 2022

Date	Authorised Share Capital (Units)		Issued and Fully Paid Up Share Capital (Units)	
	Increase	Cumulative	Increase	Cumulative
1997	-	100,000	-	100,000
1998	-	100,000	-	100,000
1999	-	100,000	-	100,000
2000	4,900,000	5,000,000	4,900,000	5,000,000
2001	-	5,000,000	-	5,000,000
2002	-	5,000,000	-	5,000,000
2003	-	5,000,000	-	5,000,000
2004	-	5,000,000	-	5,000,000
2005	-	5,000,000	-	5,000,000
2006	-	5,000,000	-	5,000,000
2007	1,495,000,000	1,500,000,000	956,684,737	961,684,737
2008	3,500,000,000	5,000,000,000	1,988,315,263	2,950,000,000
2009	-	5,000,000,000	-	2,950,000,000
2010	-	5,000,000,000	261,627,906	3,211,627,906
2011	-	5,000,000,000	-	3,211,627,906
2012	-	5,000,000,000	-	3,211,627,906
2013	-	5,000,000,000	-	3,211,627,906
2014	-	5,000,000,000	-	3,211,627,906
2015	-	5,000,000,000	-	3,211,627,906
2016	-	5,000,000,000	-	3,211,627,906
2017	-	5,000,000,000	-	3,211,627,906
2018	-	5,000,000,000	-	3,211,627,906
2019	-	5,000,000,000	-	3,211,627,906
2020	-	5,000,000,000	-	3,211,627,906
2021	-	5,000,000,000	-	3,211,627,906
2022	-	5,000,000,000	-	3,211,627,906

7. DIRECTORS' SHAREHOLDING

The interests of the Directors in the issued share capital of the company as recorded in the register of members for the purpose of **Section 301 of the Corporate and Allied Matters Act, 2020** and the listing requirements of the Nigeria Stock Exchange were as follows:

		Ordinary shares of 50k each as at			
		31st December 2022		31st December 2021	
		Direct	Indirect	Direct	Indirect
Dr. Jaiye Oyedotun	- Chairman	9,040,000	-	9,040,000	-
Mr. Mofoluso Ayeni	- Vice Chairman	839,660,613	-	839,660,613	-
Mrs. Grace Abosede Ayeni	- Managing Director	578,153,341	-	578,153,341	-
Mr. Tunji Bello	- Director	6,186,217	-	6,186,217	-
Mr. Muyiwa Kupoluyi	- Director	13,000,000	-	13,000,000	-
Mr. Bamidele Oke	- Executive Director	5,399,050	-	5,399,050	-
Mr. Gbolahan Labinjo	- Executive Director (Resigned w.e.f 30/11/22)	-	-	-	-
Omooba Yemisi Shyllon	- Non Independent Director	-	0,000,000 (VEE VEE GLOBAL INVEST)	-	20,000,000 (VEE VEE GLOBAL INVEST)

8. CORPORATE GOVERNANCE

The Company is committed to the best practice and procedure in corporate governance. Its business is conducted in a fair, honest and transparent manner in conformity with the highest ethical standards.

Members of the Board meet regularly to decide policy matters, review its performance, operations and finances and formulate strategies to enhance its growth. In accordance with **Section 284(2) of the Companies and Allied Matters 2020**, the record of Directors' attendance at Board meetings is available for inspection at the Annual General Meeting.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST DECEMBER 2022

In doing so, they ensure that:

- Proper accounting records are maintained;
- Applicable accounting standards are followed;
- Suitable accounting policies are adopted and consistently applied;
- Judgements and estimates made are reasonable and prudent;
- The going concern basis is used, unless it is unreasonable to presume that the Company will continue in business.
- Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities.

9. SUBSTANTIAL INTEREST IN SHARES AS AT DECEMBER 31, 2022

ACCT NUMBER	NAME	ADDRESS	HOLDING	%
27	AYENI GRACE ABOSEDE	MAKAY PLAZA 21RD, I CLOSE FESTAC TOWN LAGOS STATE, LAGOS	578,153,341	18.00
11291	AYENI MOFOLUSO OLUYEMI	P.O.BOX 3608, FESTAC TOWN, LAGOS.	839,660,613	26.1
11020	GOLDEN ANKHS INTEGRATED SERVICES	2ND FLOOR MAKAY PLAZA 21 ROAD 1 CLOSE FESTAC TOWN, LAGOS	686,452,253	21.37

Except as stated above no other shareholder owns more than 5%

10. ANALYSIS OF SHAREHOLDINGS

Range of Shareholding	Number of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1 - 1,000	1,086	12.216	1,086	692,186	0.02	692,186
1,001 - 5,000	2,526	28.414	3,612	7,779,104	0.24	8,471,290
5,001 - 10,000	1,609	18.099	5,221	13,395,935	0.42	21,867,225
10,001 - 50,000	2,291	25.771	7,512	56,313,408	1.75	78,180,633
50,001 - 100,000	558	6.277	8,070	45,269,072	1.41	123,449,705
100,001 - 500,000	505	5.681	8,575	122,384,454	3.81	245,834,159
500,001 - 1,000,000	97	1.091	8,672	78,777,451	2.45	324,611,610
1,000,001 - 5,000,000	182	2.047	8,854	416,213,212	12.96	740,824,822
5,000,001 - 50,000,000	31	0.349	8,885	366,536,878	11.41	1,107,361,700
100,000,001 - 500,000,000	3	0.034	8,888	708,967,294	22.08	1,816,328,994
500,000,001 - AND ABOVE	2	0.023	8,890	1,395,298,913	43.45	3,211,627,906
TOTAL	8,890	100%		3,211,627,906	100%	

11. PROPERTY, PLANT AND EQUIPMENT

Movements in Property, Plant and Equipment during the year are shown in Note 11 to the financial statements. In the opinion of the Directors, the market value of the Company's properties is not less than the value shown in the accounts.

12 EMPLOYMENT AND EMPLOYEES

1. Employment of disabled persons

The Company has reviewed its employment policy in line with the needs of the business. A policy of the Company stipulates that there should be no discrimination in considering applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities for employment. As at 31st December 2022, there was no disabled person in the employment of the Company.

2. Work Environment

The Company endeavours to ensure a safe work environment for its employees. Health and Safety regulations are in force within the Company's premises and employees are aware of existing regulations. Subsidies are provided to all levels of employees for transportation, while a health Insurance Scheme is in place for employees and their dependants.

3. Training

The Company is pro-active and involved in staff development. It is committed to keeping employees fully informed as much as possible and ensures that all staff go through at least one training intervention in a year.

13. POST BALANCE SHEET EVENTS

There were no post balance sheet events which could have material effect on the financial statements of the Company at 31st December, 2022 and of the profit for the year ended on that date which have not been adequately provided for or disclosed in these financial statements.

14. MAJOR SUPPLIERS

The Company procures materials mainly from Crown Flour Mills, Nigerian Bottling Company Ltd., CHI Limited, Provita Nigeria Limited.

15. AUDIT COMMITTEE

The Committee is established to perform the functions stated in **Section 404(7) of the Companies and Allied Matters 2020**. There are five (5) members of the Committee and one of the two representatives of the Board is the Chairman of the Committee.

The list of the Committee members is contained on pages 2, 14 and 24

16. AUDITORS

The Auditors, Messrs Abiodun Aina & Co (Chartered Accountants) have expressed their willingness to continue in office in accordance with **Section 401(1) of the Companies and Allied Matters Act 2020**. A resolution will be proposed authorising the Directors to fix their remuneration.

17. REMUNERATION OF MANAGERS OF THE COMPANY REQUIRED TO BE DISCLOSED BY THE COMPANIES AND ALLIED MATTERS ACT 2020 (CAMA).

Section 257 of the Companies and Allied Matters Act (CAMA), 2020 provides that the disclosure of the remuneration of the managers of a company should be an item under the ordinary business at an annual general meeting. Based on the definition of "manager" in the Companies Regulations 2022, we hereby disclose that the remuneration of the management of the Company for the year ended 31 December, 2022 is disclosed in Note 24 of the Accounts.

BY ORDER OF THE BOARD



BAMIDELE DAMBO

Company Secretary
FRC/2014/NBA/00000007237

TANTALIZERS PLC

Makay Plaza, 21 Road, I Close,
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30th October, 2023





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- Report of the Audit Committee
- Report of the Independent Auditors
- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flow
- Notes to the Financial Statements
- Statement of Value Added
- Five-Year Financial Summary
- Proxy Form



REPORT OF THE AUDIT COMMITTEE

TO THE MEMBERS OF TANTALIZERS PLC

In accordance with section 404(7) of the Companies and Allied Matters Act, 2020, we the Members of the Audit Committee of TANTALIZERS PLC, have reviewed the Audited Financial Statements of the Company for the ended 31 December, 2022 and based on the documents and information available to us, report as follows:

- i) We ascertain that the accounting and reporting policies adopted by the Company were in accordance with applicable legal requirements and agreed ethical practices.
- ii) We have reviewed the scope and planning of audit requirements and found them satisfactory.
- iii) We appraised the Financial Statements for the year ended December 31, 2022 and were satisfied with the explanations provided.
- iv) We reviewed the Company's systems of accounting and internal control and found them effective.
- v) We reviewed the External Auditor's Management Report for the year ended December 31, 2022 and were satisfied that management is taking appropriate steps to address issues and comments noted in the report.



Mr Muyiwa Kupoluyi
Chairman, Audit Committee

February 27, 2023

Members of the Audit Committee are:-

Mr. Muyiwa Kupoluyi
Omooba Yemisi Shyllon
Mr. Adebisi Babarinde
Mr. Peter Eyanuku
Mr. Jide Onifade



Rights House

43, Adeniyi Jones Avenue, Ikeja
P.O. Box 632 Marina, Lagos.
Tel: 0806 608 3252

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TANTALIZERS PLC

Opinion

We have audited the financial statements of Tantalizers Plc [“the entity”] which comprise the statement of financial position as at 31st December, 2022 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 32 to 43.

In our opinion, the accompanying financial statements give a true and fair view of the state of the financial position of the entity as at 31st December 2022, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards [IFRSs] and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards of 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 are independent of the entity in accordance with the Institute of Chartered Accountants of Nigeria (ICAN) Professional Code of Conduct and Guide for Accountants and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants [Parts A and B]. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

There are no key audit matters relating to the audit of the financial statements.

Information Other than the Financial Statements and Audit Report thereon

The Directors are responsible for the other information. The other information comprises of Result at a glance, Notice of Annual General Meeting, Chairman's Statement, Company Profile, Report of Corporate Governance, Board of Directors' pictures, Report of the Directors, Statement of Quality, Environment, Health and Safety, Statement of value added, Five year financial summary and Proxy Form but does not include the financial statements and our audit report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 no material misstatement on this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of the financial statements that give true and fair view in accordance with International Financial Reporting Standards [IFRSs] and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011, 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 caused by fraud or error.

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

Auditors' Responsibility for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatements, whether caused by 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 statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether caused by 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 entity'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 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 entity'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 entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial statements.

We are responsible for the direction, supervision and performance of the entity's audit. We remain solely responsible for our audit opinion.

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.

Report on other Legal and Regulatory Requirements

The Companies and Allied Matters Act, 2020, requires that in carrying out our audit work we consider and report 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) in our opinion proper books of accounts have been kept by the entity, so far as appears from our examination of those books; and
- iii) the statements of financial position and comprehensive income of the entity are in agreement with the books of accounts.



Ishola A. Eniola
FRC/2013/ICAN/00000004744

For: Abiodun Aina & Co
Chartered Accountants
Lagos, Nigeria.
27th February, 2023



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER 2022

	NOTES	2022 ₦	2021 ₦
System Revenue	3	<u>2,427,147,994</u>	<u>2,759,004,644</u>
Revenue	3	1,163,820,321	1,270,277,196
Cost of sales		<u>(748,182,828)</u>	<u>(761,695,318)</u>
Gross Profit/(Loss)		415,637,493	508,581,878
Other Income	4	478,465,702	354,973,345
Distribution Costs	5	(38,148,840)	(9,548,298)
Write-Backs/off	6	(121,387,686)	20,813,213
Administrative expenses		(902,144,081)	(941,867,932)
Expected Credit Loss	13	-	(65,720,908)
Operating (Loss)		(167,577,412)	(132,768,701)
Finance Income	7 (b)	4,199,759	14,320,055
Finance Cost	7 (a)	<u>(78,412,211)</u>	<u>(81,421,411)</u>
Profit/(Loss) Before Taxation	8	(241,789,864)	(199,870,057)
Taxation	9 (a)	<u>(22,301,593)</u>	<u>(14,951,523)</u>
Profit/(Loss) After Taxation		<u>(264,091,456)</u>	<u>(214,821,580)</u>
Earnings per share (basic) - Kobo	10	(8)	(7)
Earnings per share (diluted) - Kobo	10	(8)	(7)

The notes on pages 32-43 form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

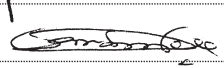
AS AT 31ST DECEMBER 2022

	NOTES	2022 ₦	2021 ₦
ASSETS			
NON CURRENT ASSETS			
Property, Plant and Equipment	11	1,943,267,998	1,429,321,439
Long Term Receivables	13	121,470,327	119,757,500
		2,064,738,325	1,549,078,939
Current Assets:			
Inventories	12	51,490,857	54,615,956
Trade and Other Receivables	13	274,332,955	437,076,678
Short Term Investments	14	39,950,000	50,000,000
Cash and Bank Equivalents	15	114,545,836	144,386,568
		480,319,648	686,079,202
		2,545,057,973	2,235,158,141
Total Assets:			
Equity and Liabilities			
Equity			
Share Capital	16(b)	1,605,813,953	1,605,813,953
Share Premium	17	2,071,077,399	2,071,077,399
Revaluation reserve	18	938,335,517	70,717,089
Retained Earnings - Deficit	19	(3,961,853,317)	(3,697,761,861)
Shareholders' Fund		653,373,552	49,846,580
Liabilities:			
Current liabilities:			
Trade and Other Payables	20	1,048,939,707	1,306,281,626
Provisions and Deferred Income	21	235,218,367	264,210,202
Term Loans	22	34,091,714	34,091,714
Taxation	9(b)	123,766,576	108,099,976
		1,442,016,364	1,712,683,518
Non Current liabilities			
Provision and Deferred Income	21	55,955,180	80,466,805
Term Loans	22	393,712,875	392,161,237
		449,668,055	472,628,042
Total Liabilities		1,891,684,419	2,185,311,561
TOTAL EQUITY AND LIABILITIES		2,545,057,970	2,235,158,141

These financial statements were approved by the Board of Directors on 27th Feb, 2023 and signed on its behalf by:

Dr. Jaiye Oyedotun  Chairman FRC/2014/CISM/00000005793

Mrs. Abosede Ayeni  Managing Director/CEO FRC/2016/IODN00000015677

Mr. Bamidele Oke  ED Finance FRC/2014/1CAN/00000007239

The notes on pages 32 to 43 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2022

	Ordinary Share Capital	Share Premium	Revaluation Reserve	Retained Deficit	Total
	#	#	#	#	#
At 1st January, 2022	1,605,813,953	2,071,077,399	70,717,935	(3,697,761,861)	49,846,580
Loss for the Year	-	-	-	(264,091,456)	(264,091,456)
Movement in Revaluation Reserve during the Year	-	-	867,618,428	-	867,618,428
At 31st December , 2022	1,605,813,953	2,071,077,399	938,335,517	(3,961,853,317)	653,373,552
At 1st January, 2021	1,605,813,953	2,071,077,399	94,792,024	(3,482,942,281)	288,743,095
Loss for the Year	-	-	-	(214,821,580)	(214,821,580)
Movement in Revaluation Reserve	-	-	(24,074,925)	-	(24,074,935)
At 31st December , 2021	1,605,813,953	2,071,077,399	70,717,935	(3,697,761,861)	49,846,580

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	2022 #	2021 #
Operating Activities			
Cash Received from Customers		1,803,316,920	1,933,125,028
Cash Paid to Suppliers and Employees		(2,229,569,386)	(2,022,213,839)
Tax Paid		(4,692,727)	(8,671,614)
Net cash (used in) operating activities		<u>(430,945,193)</u>	<u>(97,760,425)</u>
INVESTING ACTIVITIES			
Interest Received	9(b)	(21,516,360)	10,602,514
Short term investment	14	(39,950,000)	(50,000,000)
Acquisition of property, plant and equipment	11	(153,264,712)	(43,724,038)
Proceeds from disposal of property, plant and equipment		686,730,000	468,959,000
Net cash used in financing activities		<u>471,998,928</u>	<u>385,837,476</u>
FINANCING ACTIVITIES			
Repayment of Borrowings		1,551,638	(242,049,836)
Interest Paid	9(a)	(72,446,105)	(73,415,889)
Deposit for Shares	20	-	150,000,000
Net cash used in financing activities		<u>(70,894,467)</u>	<u>(165,465,725)</u>
Net increase in Cash and Cash Equivalents		<u>(29,840,732)</u>	<u>122,611,326</u>
Cash and Cash Equivalents at beginning of Year		144,386,569	21,775,242
Cash and Cash Equivalents at end of year		<u>114,545,837</u>	<u>144,386,568</u>
REPRESENTED BY			
Cash at Bank and in Hand	15	114,545,837	144,386,568
Bank Overdrafts	18(a)	-	-
Cash and cash equivalents		<u>114,545,837</u>	<u>144,386,568</u>

The notes on pages 32-43 form an integral part of these financial statements

1. General Information

Tantalizers Plc was incorporated in 1997 as a Private Limited Company domiciled in Nigeria. The status of the company changed to a Public Limited Company (PLC) on 23rd April, 2008 and its shares were subdivided into 50 kobo shares from the original ₦1.00. The shares became quoted on the Nigeria Stock Exchange on 23rd June, 2008. The principal activities of the entity are provision of quick service restaurant and industrial/outdoor catering services.

2. Statement of Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standard Board (IASB) and International Financial Reporting Interpretations Committee (IFRICs' interpretations).

2.1 Basis of Preparation

The financial statements are presented in Naira. They have been prepared on a going concern basis applying the historical cost convention. The preparation of the financial statements in conformity with the IFRSs requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. There are no areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements.

2.2 Foreign Currency Transactions

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities held at the reporting date are translated at the exchange rate at that date. The resulting exchange gain or loss is recognised in the other comprehensive income.

2.3 System Revenue

System revenue comprises of gross sales made through the Company and Franchisee - owned retail outlets.

Tantalizers' revenue consists of sales through the Company - owned retail outlets and excludes Value Added Tax, trade discounts and rebates. Revenue is recognised when the significant risks and rewards of goods and services have been passed to the buyer and it can be measured reliably.

2.4 Finance Income

Finance income is recognised in the other comprehensive income for all instruments measured at amortised cost using the effective interest method. The calculation takes into account interest received or paid and fees and commissions received or paid that are integral to the yield as well as incremental transaction costs. The effective interest rate is the rate that exactly discounts estimated future cash flow throughout the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset.

2.5 Cost of Sales

Cost of sales consists of all costs to the point of sale including warehouse and transportation costs and all the costs of operating retail outlets.

2.6 Inventories

Inventories are stated at cost and net realisable value, whichever is lower and all write downs are included in the cost of sales. However, reversal of such write down in subsequent period is used to reduce the cost of sales. Net realisable value is determined by reference to prices existing at the reporting date. Cost is determined using first-in first-out (FIFO) method of inventory valuation and comprises direct purchase and conversion costs, and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

2.7 Property, Plant and Equipment

2.7.1 Land and Buildings

Land and buildings are stated at cost less accumulated depreciation and any recognised provision for impairment. Properties under construction are held at cost less any recognised provision for impairment loss. Cost includes the original purchase price of the asset and the directly attributable costs incurred in bringing the asset to its location and condition necessary for it to operate in the manner intended by Management.

2.7.2 Plant and Machinery, Fixtures and Equipment

Plant and machinery, fixtures, equipment and vehicles are held at cost less accumulated depreciation and any recognised provision for impairment loss. Cost includes the original purchase price of the asset and the directly attributable costs incurred in bringing the asset to its location and condition necessary for it to operate in the manner intended by the Management.

Subsequent costs on Plant and Machinery, Fixtures and Equipment are included in the assets' carrying amount, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company for more than one accounting year and the cost of the item can be measured reliably. All repairs and maintenance costs are charged to the statement of comprehensive income during the reporting period in which they are incurred.

2.7.3 Depreciation

Depreciation is calculated to write down the cost of the assets to their residual values, on a straight-line method, on the following basis:

- Freehold land	Nil
- Improvement to restaurant building	10%
- Restaurant furniture and equipment	20%
- Office furniture and equipment	20%
- Plant and machinery	25%
- Motor vehicle	20%
- Software Equipment	4%

Depreciation of an asset begins when the asset is in the location and condition necessary for it to be operated in the manner intended by Management. Each part of an item of Property, Plant and Equipment with a cost that is significant in relation to the total cost of the asset is depreciated separately based on the pattern which reflects how the economic benefits are consumed. Buildings under construction are not depreciated. Gains or losses on disposal are determined by comparing proceeds with the asset's carrying amount and are recognised in the other comprehensive income.

2.7.4 Leased Assets

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of the ownership to the Company. Assets funded through finance leases are capitalised as property, plant and equipment and depreciated over their estimated useful lives or the lease term, whichever is shorter. The amount capitalised at the inception of the lease is the lower of the fair value of the asset or the present value of the minimum lease payments during the lease term. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; otherwise its incremental borrowings rate is used. Any initial direct costs incurred on the finance lease are added to the amount recognised as an asset. The resulting lease obligations are included in liabilities net of finance charges. The finance charges/interest element of the rental obligations are charged directly to the statement of comprehensive income over the period of the lease and represent a constant proportion of the balance of capital repayments outstanding.

2.8 Intangible: Software

Software acquired by the Company is stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally developed software is recognised as an asset when the Company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use.

2.9 Impairment of Non-Financial Assets

Annually and again whenever indicators of impairment are detected, the Company reviews carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, which is the higher of its fair value less costs to sell and its value in use, is estimated in order to ascertain the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs. For property, plant and equipment and intangible assets excluding goodwill, the CGU is deemed to be each retail outlet store.

Any impairment charge is recognised in the statement of comprehensive income in the year in which it occurs. Where an impairment loss, other than an impairment loss on goodwill, subsequently reverses due to a change in the original estimate, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, or its original carrying value if lower.

2.10 Borrowing and Finance Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale, are added to the cost of the assets, until such time as the assets are substantially ready for their intended use or sale. Arrangement fees and issue costs are amortised and charged to other comprehensive income as finance costs over the term of the debt.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. For all instruments measured at amortised cost, finance cost is recognised in other comprehensive income using the effective interest method as in finance income above.

All other borrowing costs are recognised in other comprehensive income in the period in which they are incurred.

2.11 Financial Instruments

Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

2.12 Financial Assets

All the Company's financial assets qualify under the classification of loans and receivables following IAS 39. No financial assets qualify for classification as:

- At fair value through profit or loss ('FVTPL');
- Available-for-sale ('AFS'); and
- Held to Maturity

2.13 Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Generally for trade receivables, this results in their recognition at nominal value less any allowance for any doubtful debts since in practise trade receivables do not have any interest implications. For staff loans, effective interest method does not result in their recognition at nominal value as interest is charged on such loans. Income for these financial assets is calculated on an effective yield basis and is recognised in other comprehensive income as part of finance income.

2.14 Financial Liabilities

2.14.1 Borrowings

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

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 date.

2.14.2 Trade and Other Payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method. Generally this results in their recognition at nominal invoice value since in practise trade payables do not have any interest implications.

2.15 Impairment of Financial Assets

An assessment of whether there is objective evidence of impairment is carried out for all financial assets or groups of financial assets at the reporting date. This assessment may be of individual assets ('individual impairment') or of a portfolio of assets ('collective impairment'). A financial asset or a group of financial assets is considered to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. For individual impairment the principal loss event is one or more missed payments, although other loss events can also be taken into account, including arrangements in place to pay less than the contractual payments, fraud and bankruptcy or other financial difficulty indicators. An assessment of collective impairment will be made of financial assets with similar risk characteristics. For these assets, portfolio loss experience is used to provide objective evidence of impairment.

Where there is objective evidence that an impairment loss exists on loans and receivables, impairment provisions are made to reduce the carrying value of financial assets to the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. For financial assets carried at amortised cost, the charge to the statement of comprehensive income reflects the movement in the level of provisions made together with amounts written off net of recoveries in the year.

2.16 Fair Value Estimation

Fair value estimation is grouped into Levels 1 to 3 based on the degree to which the fair value is observable as per IAS 39 guidelines as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.17 Offsetting Financial Instruments

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

2.18 Classification of Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the consideration received, net of direct issue costs.

2.19 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, demand deposits, investments in money market funds and deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are used by the Company in the management of its short-term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents in the Statement of Cash Flow. Cash and cash equivalents are carried at amortised cost in the Statement of Financial Position.

2.20 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted at the reporting date. Tax expense comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to item recognised in other comprehensive income or directly in equity, in which case the related tax is also recognised in other comprehensive income or directly in equity.

Deferred tax is calculated on temporary differences, arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company.

Deferred tax is calculated based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred tax is recognised for all taxable temporary differences, except to the extent where it arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity or other comprehensive income, in which case the deferred tax is also dealt with in equity or other comprehensive income respectively.

2.21 Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle obligation, and the amount of the obligation can be reliably estimated. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

2.22 Employee Benefits - Pensions

With effect from 1st January, 2005, the Company in line with the provisions of the Pension Reform Act, 2004 instituted a defined contribution pension scheme. Staff contributions to pension are funded through payroll deductions. A defined contribution scheme under IFRS is a pension plan under which the Company pays fixed contributions to a separate entity.

Payments to defined contribution pension scheme by the Company are charged as expenses to the Statement of Comprehensive Income as they fall due. Any contributions unpaid at the reporting date are included as an accrual in the Statement of Financial Position as at that date. The Company has no further payment obligations once the contributions have been paid.

2.23 Judgements and Estimates

The Company makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The judgements and key sources of estimating uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

2.24 Impairment of Assets

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amounts may be less than their carrying values. Recoverable amount is based on a calculation of expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance.

2.25 Depreciation of Property, Plant and Equipment and Amortisation of Computer Software

Depreciation and amortisation is provided so as to write down the assets to their residual values over their estimated useful lives as set out above. The selection of these residual values and estimated lives requires the exercise of management judgement.

2.26 Income Taxes

The Company recognises expected liabilities for tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual liability arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax provisions in the period when such determination is made.

2.27 Provisions

Provisions have been made for various costs. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

NOTES

3 SYSTEM REVENUE

Company - Owned Outlet Sales
Franchisee - Owned Outlet Sales

2022	2021
₦	₦
1,163,820,321	1,270,277,196
1,263,327,673	1,488,727,448
2,427,147,994	2,759,004,644

4 OTHER INCOME

Rent income
Franchise Income
Profit/(Loss) on Disposal of Property, Plant and Equipment
Other income

59,236,440	75,171,434
83,479,241	85,672,531
323,878,686	178,148,879
11,871,335	15,980,501
478,465,702	354,973,345

5 DISTRIBUTION COST

Advertising/promotions
2% Franchises contribution
E-commerce service charge
Sample products
Product development
Staff competition incentives

60,087,106	34,979,225
(26,710,357)	(28,029,455)
3,075,636	1,703,438
1,033,905	379,630
45,550	85,960
617,000	429,500
38,148,840	9,548,298

6 WRITE-BACKS/PROVISIONS NO LONGER REQUIRED

Write backs / (Write off)

(121,387,686)	20,813,213
(121,387,686)	20,813,213

7 FINANCE INCOME AND COSTS

(a) FINANCE COST

Interest on Term Loans
Other Bank Charges

72,446,105	73,415,889
5,966,106	8,005,522
78,412,211	81,421,411

FINANCE INCOME

(b) Interest income

(4,199,759)	(14,320,055)
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NET FINANCE COSTS

74,212,452	67,101,356
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8 PROFIT/(LOSS) BEFORE TAX

is arrived at after charging (crediting):

Directors' fee
Directors' Salaries and other emoluments
Depreciation
Auditors remuneration
(Profit)/Loss on sale of property, plant and equipment

3,350,000	3,350,000
53,400,000	53,400,000
142,635,265	190,916,340
2,500,000	2,500,000
323,428,686	(178,148,879)

9 TAXATION

(a) Current income tax expense

Corporate Tax
Education Tax
Capital Gains Tax

5,819,102	4,063,126
-	-
16,482,491	10,888,396
22,301,593	14,951,523

(b) Current tax liabilities

At 1st January
Tax paid
Current income tax charge
WHT Credit Notes Utilised
Prior years provision no longer required

108,099,976	105,809,332
(4,692,727)	(8,671,614)
22,301,593	14,951,523
(1,942,266)	(3,989,264)
-	-

At 31st December 2022

123,766,576	108,099,977
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NOTES

10 EARNINGS PER SHARE

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding at the reporting date. The Company has no convertible notes and share options which could potentially dilute its EPS, hence the Company's basic and diluted EPS are essentially the same.

	2022	2021
	No. of shares	No. of shares
Number of shares in issue	3,211,627,906	3,211,627,906
Profit/(Loss) for the year	N (264,091,456)	N (214,821,580)
Basic earnings	(8k)	(7k)
Diluted earnings	(8k)	(7k)

11 PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDING	ASSETS IN PROGRESS	RESTAURANT FURNITURE & EQUIPMENT	OFFICE FURNITURE & EQUIPMENT	PLANT & MACHINERY	MOTOR VEHICLES	SOFTWARE EQUIPMENT	TOTAL
Cost/Valuation	N	N	N	N	N	N	N	N	N
At 1 January 2022	740,688,852	1,912,406,081	27,612,689	1,619,250,610	270,610,950	738,535,950	292,344,900	295,092,678	5,896,542,710
Additions	-	73,041,073	3,419,459	30,927,943	3,777,500	42,098,737	-	-	153,264,712
Revaluation	641,314,953	277,481,986	-	-	-	-	-	-	918,796,939
Disposals	(328,773,865)	(253,046,378)	-	-	-	(2,404,930)	-	-	(584,225,173)
31st December 2022	1,053,229,940	2,009,882,762	31,032,148	1,650,178,553	274,388,450	778,229,757	292,344,900	295,092,678	6,384,379,188
Depreciation									
At 1st January 2022	-	1,522,097,757	-	1,567,394,302	270,504,717	692,396,269	290,731,200	124,097,027	4,467,221,272
Charge of the year	-	86,885,231	-	8,450,428	2,273,901	32,841,998	380,000	1,803,707	142,635,265
Disposal during the year	-	(166,340,417)	-	-	-	(2,404,930)	-	-	(168,745,347)
31st December 2022	-	1,442,642,571	-	1,575,844,730	272,778,618	722,833,337	291,111,200	135,900,734	4,441,111,190
Carrying value									
31st December 2022	1,053,229,940	567,240,191	31,032,148	74,333,823	1,609,832	55,396,420	1,233,700	159,191,944	1,943,267,998
31st December 2021	740,688,852	390,308,324	27,612,689	51,856,308	106,233	46,139,681	1,613,700	170,995,651	1,429,321,439

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2022

NOTES

12 INVENTORIES

	2022 ₦	2021 ₦
Raw Materials & Finished Products	31,015,791	27,990,302
Printing & Stationaries	2,098,201	2,270,756
Engineering, Kitchen & Staff Uniform	9,502,069	9,710,563
Packaging Materials	1,739,812	5,641,033
Gas & Diesel	1,933,184	1,309,302
Gift Certificates	51,490,800	7,694,000
	<u>51,490,857</u>	<u>54,615,956</u>

13 TRADE AND OTHER RECEIVABLES Current:

Trade Receivables	83,508,697	271,310,212
Prepayments	59,510,650	78,968,136
Advances to Contractors	-	5,122,363
Amortization Expenses	597,858	8,064,414
Staff Debtors	1,458,187	4,612,744
Other Receivables	88,477,893	91,528,921
Interest receivable	-	3,717,541
Withholding Tax Receivable	40,779,670	39,473,256
	<u>274,332,955</u>	<u>502,797,586</u>
Allowances for expected credit loss	-	(65,720,908)
	<u>212,470,327</u>	<u>437,076,678</u>
Non - current:		
Prepaid Rent	<u>119,757,500</u>	<u>119,757,500</u>

Trade Receivables are non-interest bearing and are on commercial terms. The Company's exposure to credit risk arising from its credit operation is minimal given that the customer base is large and unrelated and that the majority of customer transactions are settled through cash.

Advances to Contractors consist of payments for construction of outlet for which job completion documents were yet to be obtained. Operational Advances are advances to staff for maintenance operations and travel expenses that were yet to be retired at the end of the period.

Staff Debtors are non-interest bearing loans granted to various staff of the Company. These loans are secured by the severance pay due to the staff on the determination of their employment.

Non-current prepaid rent refers to rent paid in advance on outlets that would last more than 12 months

14 SHORT TERM INVESTMENTS

This represents fixed deposits with Milli Asset Investment Ltd. at interest rate of 22% per annum

15 CASH AND CASH EQUIVALENTS

	2022 ₦	2021 ₦
Cash in Hand	13,723,877	16,699,421
Cash at Bank	100,821,836	127,687,147
Cash in Hand and at Bank	<u>114,545,836</u>	<u>144,386,568</u>
Bank Overdrafts	-	-
Cash and Cash Equivalents	<u>114,545,836</u>	<u>144,386,568</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2022

NOTES	2022 ₹	2021 ₹
16 SHARE CAPITAL		
(a) AUTHORISED		
5,000,000,000 ordinary share capital of 50k each	<u>2,500,000,000</u>	<u>2,500,000,000</u>
(b) ISSUED AND FULLY PAID		
3,211,627,906 ordinary share capital of 50k each	<u>1,605,813,953</u>	<u>1,605,813,953</u>
17 SHARE PREMIUM		
This represents the excess of consideration paid over the nominal value of the 1,026,630,526 shares issued during the private placement offer in 2008 and the 261,627,906 shares issued during the special placement offer in 2010		
18 REVALUATION RESERVE		
At the beginning of the year	70,717,089	94,792,024
Movement during the year	<u>867,618,428</u>	<u>(24,074,935)</u>
At the end of the year	<u>938,335,517</u>	<u>70,717,089</u>
19 RETAINED EARNINGS - DEFICITS		
At the beginning of the year	(3,697,761,861)	(3,482,940,281)
Movement during the year	<u>(264,091,456)</u>	<u>(214,821,580)</u>
At the end of the year	<u>(3,961,853,317)</u>	<u>(3,697,761,861)</u>

Deposit for shares refers to the fresh cash injected into the business by the Vice Chairman during the year towards acquiring additional shares of the Company. The capital was classified as 'deposit for shares' as the allotment process had not been concluded as at year end.

	2022 ₹	2021 ₹
20 TRADE AND OTHER PAYABLES		
Trade creditors	268,383,069	306,041,721
Other payables	780,556,638	850,239,905
Director's Loan	-	150,000,000
	<u>1,048,939,707</u>	<u>1,306,281,626</u>
21 PROVISIONS AND DEFERRED INCOME		
(a) CURRENT :		
Provisions and accruals	168,024,769	187,294,031
Provisions for Directors' fee	36,820,000	33,320,000
Retro-franchise deposits	12,746,638	11,746,779
Deferred income	<u>17,626,820</u>	<u>31,849,392</u>
	<u>235,218,367</u>	<u>264,210,202</u>
(b) NON-CURRENT		
Retro-franchise deposits	20,782,610	39,395,909
Deferred income	<u>35,172,610</u>	<u>41,070,896</u>
	<u>55,955,180</u>	<u>80,466,805</u>

Deferred income relates to rental income received in advance from Franchisees. Those that would expire within 12 months were classified as current liabilities while those that would expire after 12 months were classified as non current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022 ₱	2021 ₱
22 TERM LOANS		
(a) CURRENT:		
Bank Overdrafts		
Term Loans - Eco Bank/BOI Loans	34,091,714	34,091,714
	<u>34,091,714</u>	<u>34,091,714</u>
(b) NON-CURRENT		
Term loan - Eco Bank/BOI restructured loan	371,862,745	392,161,237
CFS Lease	21,850,130	-
	<u>393,712,875</u>	<u>392,161,237</u>
	<u>427,804,589</u>	<u>426,252,951</u>
23 INFORMATION REGARDING DIRECTORS AND EMPLOYEES		
(a) Directors' emoluments comprise:		
Fees	3,350,000	3,350,000
Salaries and other emoluments	36,000,000	53,400,000
	<u>39,350,000</u>	<u>56,750,000</u>
(b) Fees and other emoluments disclosed above include amount paid to:		
Chairman	750,000	750,000
Other Directors	36,000,000	56,000,000
	<u>36,750,000</u>	<u>56,750,000</u>

	2022 Number	2021 Number
(c) The number of Directors excluding the Chairman with gross emoluments within the bands stated below were:		
₦400,001 - ₦500,000	0	0
₦500,001 - ₦600,000	4	4
₦3,000,000 and above	2	3
(d) Highest Paid Director	<u>24,000,000</u>	<u>24,000,000</u>
(e) EMPLOYEES	Number	Number
The average number of persons employed during the year was as follows:		
Managerial	120	119
Others	156	136
	<u>276</u>	<u>255</u>
(f) The aggregate staff cost was:		
Salaries and Wages	267,616,267	205,796,826
Other related staff cost	82,503,471	79,982,416
	<u>350,119,740</u>	<u>285,779,242</u>
(g) Employees remunerated at higher rates	Number	Number
The number of employees in receipt of emoluments within the following bands are:		
Below ₦200,000	-	-
₦200,001 - ₦300,000	-	-
₦300,001 - ₦400,000	164	144
₦400,001 - ₦500,000	15	15
₦500,001 - ₦1,000,000	65	65
Over ₦1,000,000	32	31
	<u>276</u>	<u>255</u>

25 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

There were no guarantees and other financial commitments as at 31st December, 2022. (2021:Nil)

26 RELATED PARTY TRANSACTIONS

The Company did not enter into any related party transaction during the year. (2021:Nil)

STATEMENT OF VALUE ADDED

FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022	%	2021	%
	₹		₹	
Revenue	1,163,820,321		1,270,277,196	
Other Income	482,665,461		369,293,400	
	1,646,485,782		1,639,570,596	
Bought in Material and Services	(1,317,108,430)		(1,281,323,661)	
VALUE ADDED	329,377,352	100	358,246,935	100
APPLIED AS FOLLOWS				
To Pay Employees:				
Staff Costs	350,119,740	106	285,779,242	80
To Pay Government:				
Taxation	22,301,593	7	14,951,523	4
To Pay Providers of Funds:				
Interest & Similar Charges	78,412,211	24	81,421,411	23
To Provide for Replacement of Assets and Development:				
Depreciation	142,635,265	43	190,916,340	53
Retained (Loss) for the year	(264,091,456)	(80)	(214,821,580)	(60)
	329,377,352	100	358,246,935	100

FIVE-YEAR FINANCIAL SUMMARY

FOR THE YEAR ENDED 31ST DECEMBER 2022

	2022 ₦	2021 ₦	2020 ₦	2019 ₦	2018 ₦
STATEMENT OF FINANCIAL POSITION:					
PROPERTY, PLANT AND EQUIPMENT	1,943,267,998	1,429,321,439	1,890,164,759	2,147,582,144	2,363,035,231
LONG TERM RECEIVABLES	121,470,327	119,757,500	118,855,000	171,111,319	175,945,951
NET CURRENT ASSETS /(LIABILITIES)	(961,696,715)	(1,026,604,318)	(1,259,931,999)	(1,231,807,985)	(1,405,640,032)
LONG TERM LIABILITIES	(449,668,055)	(472,628,042)	(460,344,665)	(369,441,337)	(433,424,158)
	653,373,555	49,846,580	288,743,095	717,444,141	699,916,992
PAID-UP SHARE CAPITAL	1,605,813,953	1,605,813,953	1,605,813,953	1,605,813,953	1,605,813,953
SHARE PREMIUM	2,071,077,399	2,071,077,399	2,071,077,399	2,071,077,399	2,071,077,399
REVALUATION RESERVE	938,335,517	70,717,089	94,792,024	101,442,203	106,086,751
RETAINED EARNINGS-DEFICIT	(3,961,853,317)	(3,697,761,861)	(3,482,940,281)	(3,060,889,414)	(3,083,061,111)
	653,373,552	49,846,580	288,743,095	717,444,141	699,916,992
STATEMENT OF PROFIT OR LOSS					
REVENUE	1,163,820,321	1,270,277,196	924,125,003	1,264,625,326	1,525,093,640
PROFIT/(LOSS) BEFORE TAX	(241,789,864)	(199,870,057)	(411,982,297)	33,431,468	96,024,262
TAXATION	(22,301,593)	(14,951,523)	(10,068,570)	(11,259,771)	(9,768,050)
PROFIT/(LOSS) AFTER TAX	(264,091,456)	(214,821,580)	(422,050,867)	22,171,697	86,256,212
EARNINGS PER SHARE					
BASIC AND (DILUTED)	(8k)	(7k)	(13k)	1k	3k
NET ASSETS PER SHARE	20k	2k	9k	22k	22k
MARKET PRICE (31ST DEC.)	0.20	0.20	0.20	0.20	0.20

NOTES

Earnings per share and net assets per share are based on the number of ordinary shares in issue at end of each financial year.

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For enquiries please contact;

Tantalizers Plc

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Festac Town, Lagos, Nigeria.

Lagos: **Shobanke** - 0701 5999 161
Mary-Queen - 0701 5999 032

Abuja: **Rachael** - 0701 5999 027

Email: tantalizers@tantalizersng.com
Website: www.tantalizersng.com



Annual General Meeting to be held at 10:00am
On Tuesday, 28th Day of November, 2023 at IJEWERE
HALL, BANKERS HOUSE, ADEOLA HOPEWELL ST,
VICTORIA ISLAND, Lagos.

I/We* _____

Of _____

Being a member/members of Tantalizers Plc
hereby appoint** _____

Or failing him/her, the Chairman of the meeting as my/our
proxy to act and to vote for me/us on my/our behalf at the
Annual General Meeting of the Company to be held
Tuesday, 28th Day of November, 2023 and at any
adjournment thereof.

Dated the _____ day of _____ 2023

Signature _____

NOTES:

- 1. Please sign this proxy card and post it to reach the Registrars not less than 48 hours before the time for holding the meeting.**
- 2. If executed by a corporation the proxy card should be sealed with the common seal.**
- 3. This proxy card will be used both by the show of hands and in the event of a poll being directed or demanded.**
- 4. In the case of joint holders the signature of any one of them will suffice, but the names of all joint holders should be shown.**

List of Proposed Proxies:

Dr. Jaiye Oyedotun.

Mrs. Bose Ayeni.

Mrs. Bamidele Dambo

S/N	RESOLUTION	FOR	AGAINST
Ordinary Business			
1.	To receive, the Report of the Directors, the Audited Financial Statements for the year ended 31 December, 2022 together with the Reports of the Auditors and the Audit Committee thereon.		
2.	To re-elect the following Directors, who being eligible offer themselves for re-election. Dr. Jaiye Oyedotun. Mr. Tunji Bello		
3.	To authorize the Directors to fix the Auditors' remuneration for the year ending 31st December, 2024."		
4.	"To elect members of the Audit Committee.		
5.	To disclose the remuneration of the Managers.		
6.	"To approve the remuneration of the non-executive Directors for 2024 financial year.		
Please indicate "X" in the appropriate box how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion			



The Registrars
Meristem Registrars and Probate Services Limited
213, Herbert Macaulay Way,
Yaba, Lagos

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For further details, please contact:

Doris:	0701 291 0542
Gloria:	0701 599 9080
Rachael:	0701 599 9027
Doyin:	0701 599 9139
Monsur:	0701 599 9089
Bonita:	0701 599 9131

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