

**ABC TRANSPORT PLC**

**ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2024**

# ABC TRANSPORT PLC

## ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### Corporate Information

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<b>DIRECTORS:</b>	Prince Olumide Obayomi	- Chairman
	Mr. Jude Nneji	- Managing Director
	Mr. Rex Chidi Okoro	- Executive Director
	Mr. Francis Nneji	- Non-Executive Director
	Alhaji. Kabiru Yusuf	- Non-Executive Director
	Pastor Bamidele Asije	- Non-Executive Director
	Mrs. Ifeoma Adeoye	- Non-Executive Director
	Mr Emmanuel Chilaka Nwanna	- Independent Non-Executive Director

**COMPANY SECRETARY**

**LEGAL ADVISER** Onyekachukwu C Chigbo ,Esq.

**REGISTERED  
OFFICE:**

KM 5, MCC/Uratta Road, Umuoba Uratta  
P.O. BOX 2575, Owerri Imo State  
Tel: 08039600958, 08053002000,  
Fax: 083-231275  
E-mail: info@abctransport.com  
www.abctransport.com

**AUDITOR:**

Forvis Mazars  
18, Oba Akran Avenue,  
Ikeja, Lagos

**PRINCIPAL  
BANKERS:**

Fidelity Bank Plc  
Zenith Bank Plc  
Access Bank Plc  
Guaranty Trust Bank Limited  
United Bank for Africa Plc  
Unity Bank Plc  
Union Bank of Nigeria Plc

**REGISTRAR**

First Registrars Nigeria Limited  
Plot 2, Abebe Village Road  
Iganmu, Lagos

**INVESTOR RELATION**

ABC Transport Plc has a dedicated Investor's portal on its corporate website which can be accessed through this link:<https://www.abctransport.com/investors.html>

## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 Summary of Performance

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The summarised results are presented below:

	<b>Group 2024 N'000</b>	<b>Group 2023 N'000</b>	<b>Change %</b>	<b>Company 2024 N'000</b>	<b>Company 2023 N'000</b>	<b>Change %</b>
Revenue from contracts with customers	12,515,137	7,331,982	71	5,969,897	3,536,677	69
Gross profit	2,872,215	1,665,002	73	1,400,360	891,184	57
Profit/(loss) before tax	918,452	(368,613)	349	496,456	260,936	90
Income tax expense	(249,264)	(171,941)	(45)	(244,539)	(112,965)	(116)
Profit/(loss) for the year	669,188	(540,554)	224	251,917	147,971	70
Total asset	12,003,865	7,023,496	71	8,931,897	4,774,391	87
Shareholder's fund	1,040,071	522,770	99	1,241,815	989,897	25
Basic and diluted (loss)/profit per share (Kobo)	28	(23)		11	6	
Number of employees	1,117	1,107		620	633	

No dividends were declared or paid during the year (2023: N35 million).

As at the date of approval of the consolidated and separate financial statements of the company, ABC Transport Plc's outlook for 2024 and beyond shows there is no going concern threat to the enterprise.

## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 Report of the Directors

The Directors submit their report together with the audited consolidated and separated financial statements for the year ended 31 December 2024.

1. OPERATING RESULT	GROUP		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Profit/(loss) for the year	669,188	(540,555)	251,917	147,971

#### 2. LEGAL FORM

ABC Transport Plc was incorporated as a Private Limited Company on April 5, 1993 and also commenced operations that same year, the Company was converted to a Public Limited Liability Company on November 21, 2005. The shares are listed on the Nigerian Stock Exchange and were first quoted on December 20, 2006. As approved by the Shareholders at the Annual General Meeting of 12th August, 2011, the Company's name was changed from Associated Bus Company Plc to ABC Transport Plc.

#### 3. PRINCIPAL ACTIVITIES

The principal activities of the Group include road transportation and logistics. It provides both long and short haul bus services as well as bus charter services; consolidated cargo and haulage services within Nigeria and the West African sub-region. It is also engaged in import/sale of vehicle spares, assembly of heavy duty trucks and the hospitality business.

#### 4. DIRECTORS' INTEREST IN CONTRACTS

None of the directors has notified the Company for the purpose of section 303 of the Companies and Allied Matters Act, 2020 of their direct or indirect interest in contracts or proposed contracts with the Company during the year ended 31 December 2023.

#### 5. DIRECTOR'S SHAREHOLDERS: Section 301 of the Companies and Allied Matters act, 2020

S/N	Name	Direct Interest	Indirect	Direct Interest	Indirect
		as Interest as at at Dec. 2024	Interest as at Dec. 2024	as Interest as at at Dec. 2023	Interest as at Dec. 2023
1	Prince Olumide Obayomi	110,000	5,720,000	110,000	5,720,000
2	Mr. Francis Nneji	1,051,680,000	335,935,826	1,051,680,000	335,935,826
3	Mr. Jude Nneji	30,580,213	-	30,580,213	-
4	Alh. Kabiru Yusuf	1,474,000	-	1,474,000	-
5	Mr. Bamidele Asije	700,000	279,835,881	700,000	279,835,881
6	Mr. Rex Okoro	1,000,000	-	1,000,000	-
7	Mrs Ifeoma Adeoye	-	-	-	-
8	Mr. Emmanuel C. Nwanna	-	-	-	-

Prince Olumide Obayomi, Mr. Francis Nneji and Mr. Bamidele Asije have indirect shareholdings through Royal Funbay Limited, Rapido Ventures Ltd. and Droleemoc Farms Limited respectively.

\*Mr. Emmanuel C. Nwanna joined the Board effective as a Director effective 28th June 2024.

#### 6. PROPERTY, PLANT & EQUIPMENT

Movements in property, plant and equipment during the year are shown in the financial statement in note 14.

#### 7. MAJOR SUPPLIERS:

The Company's significant local suppliers are:

F. O. Obison Int'l Agency  
Chidel Ventures Ltd.  
Jibeco Nigeria Limited  
Kwereson Ent. Nigeria Limited – Lagos  
Ideal Standard Services  
1st Magnificent Energy Ltd.  
Amanni Oil and Gas  
Iyke Paulson Co. Nig. Ltd.

**ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024  
Report of the Directors**

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**8. DONATIONS AND GIFTS**

The following amounts have been given by way of donations and gifts during the year under review.

	2024	2024
	N'000	N'000
Corporate gifts	2,219	831
Condolences, Burial, Weddings, etc.	2,015	1,495
	<u>4,234</u>	<u>2,326</u>

There was no donation or gift made to any political party, political association or for any political purpose in the course of the year under review.

**9. EMPLOYMENT AND EMPLOYEES**

**a) Employment and Employees**

ABC Transport Plc is an equal opportunity employer concerned with the retention of staff and strives to remain the employer of choice within the road transport sector. The Company provides a total compensation package that enables it to attract and retain highly skilled and qualified employees while recognizing the need to manage payroll costs.

**b) 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 to develop.

**c) Work Environment**

The Company strives to ensure a safe working 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 medical, transportation, housing.

**d) Employee Involvement, Development and Training**

Training workshops and seminars are organized regularly for employees at all levels. The Company places a great premium on the involvement of its employees in the attainment of its goals. It is also committed to keeping them informed about its progress and performance. The Company equally seeks the views of its employees particularly concerning matters which directly affect them.

Formal meetings are held amongst staff within the operational zones and suggestions and opinions of employees are sought and considered on the general operations of the Company as well as matters affecting them.

Career development of each employee and succession planning are major priorities of the Company. The employees of the Company attend short and long term training programmes which are tailored to meet the needs of both the employee and Company. Employees are adequately rewarded and motivated to achieve results.

**e) Health, safety at work and welfare of employees**

The Company considers the health, safety and welfare of its employees of paramount importance. In pursuance of this, the Company has a group life insurance policy and pension scheme. It has also retained the services of healthcare providers across various locations. Safety standards are adhered to in the workplace. The employees of the Company are currently enrolled by the Company to the National Health Insurance Scheme.

## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 Report of the Directors

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#### f) Safety Policy

ABC places a high premium on the safety of its passengers and crew while in transit. To this end, the Company organizes quarterly safety re-orientation and training programmes for its crew. All the vehicles in our fleet are fitted with tracking devices and speed limiters which monitor the speed of the vehicles. For the period under review, the accident rate of the Company's fleet was well within acceptable limits, with a large number of the recorded accidents attributable to the errors and miscalculations of other road users.

#### 10. COMPLAINTS MANAGEMENT POLICY

ABC Transport Plc has in place a Complaints Management Policy in accordance with the requirement of the Securities and Exchange Commission. The policy sets out the broad framework for receiving, registering and handling shareholders and investors complaints in an impartial, confidential and timely manner.

#### 11. SECURITIES TRADING POLICY

ABC Transport Plc has a Securities Trading Policy which applies to all employees and Directors. The policy applies to all employees that may at any time possess any insiders or material information about the Company. The trading policy includes the need to enforce confidentiality against external advisers.

#### 12. AUDITOR

In accordance with Section 401(2) of the Companies and Allied Matters Act 2020, Forvis Mazars has indicated their willingness to continue in office as the Company's Auditor.

#### BY ORDER OF THE BOARD



Onyekachukwu C. Chigbo, Esq.  
Company Secretary/Legal Adviser  
FRC/2020/002/00000021630  
Imo State,  
Nigeria.

31 March 2025

## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### Report of the Audit Committee to the members of ABC Transport Plc

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In compliance with Section 404(4) of the Companies and Allied Matters Act 2020, we, the members of the Audit Committee of ABC Transport Plc, having carried out our statutory functions under the Act hereby report that:

1. The scope and planning of both the external and internal audit programs for the year ended 31 December, 2024 were adequate in our opinion.
2. The accounting and reporting policies of the company are in conformity with statutory requirements and agreed ethical practices.
3. The company's systems of accounting and internal controls were adequate.
4. Having reviewed the External Auditor's findings and recommendations on management matters, we are satisfied with management's response thereon.

Finally, we acknowledge Management's co-operation in the conduct of these duties.

The members of the Statutory Audit Committee for the year ended 31 December 2024 financial year were:

Mr. Chibuzor Eke (Chairman)	Shareholders' Representative
Mr. Jude Okpala	Shareholders' Representative
Mr. Kenneth Nnabuike Nwosu	Shareholders' Representative
Alh. Kabiru Yusuf	Directors' Representative
Pastor Bamidele Asije	Directors' Representative
Barr. Onyekachukwu C. Chigbo	Company Sec/ Sec. of Commi

**31 March 2025**



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**MR. CHIBUZOR EKE**  
**Chairman, Audit Committee**  
**FRC/2013/PRO/AUDITCOM/002/0000004670**

# ABC TRANSPORT PLC

## ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

### Statement of Directors' Responsibilities

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The Companies and Allied Matters Act, 2020 requires the Directors to prepare consolidated and separate financial statements for each financial year that give a true and fair view of the financial position of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- (a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and Company, and comply with the requirements of the Companies and Allied Matters Act, 2020;
- (b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- (c) prepares its consolidated and separate financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, which are consistently applied.

The Directors accept responsibility for the annual consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, 2020.

The Directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company and of the profit or loss for the year ended 31 December 2024. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal control.

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



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**Prince Olumide Obayomi**  
Director  
FRC/2014/ICAN/009248

31 March 2025



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**Mr Jude Nneji**  
Director  
FRC/2015/PCNNG/0000011844

31 March 2025

## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 Statement of Corporate Responsibility

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In accordance with the provision of section 405 of the Companies and Allied Matters Act, 2020, we have reviewed the financial statement of the Company for the year ended 31 December 2024 and based on our knowledge certify that:

- 1 the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made;
- 2 the audited financial statement and all other financial information included in the statement fairly present, in all material respects, the financial condition and results of the operation of the Company as of and for, the year ended 31 December 2024;
- 3 the Company's internal controls have been designed to ensure that material information relating to the Company is made known to us by other officers of the Company, particularly for the reporting year;
- 4 the Company's internal controls were evaluated within 90 days prior to the audited financial statement date and are effective as of 31 December 2024;
- 5 we have disclosed to the Company's auditor and those charged with governance:
  - i. all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and has identified for the Company's auditor any material weaknesses in internal controls and;
  - ii. whether or not, there is any fraud that involves management or other employees who have a significant role in the Company's internal control; and
- 6 we have indicated where there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regards to significant deficiencies and material weaknesses.



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**Mr Jude Nneji**  
Chief Executive Officer  
FRC/2015/PCNNG/0000011844

31 March 2025



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**Mr. Rex Okoro**  
Chief Finance Officer  
FRC/2014/ICAN/007350

31 March 2025

## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 Management's Report on the Assessment of Internal Control over Financial Reporting

The Board of ABC Transport Plc (the Company) is responsible for:

- (a) Keeping proper accounting records that disclose, with reasonable accuracy, the financial position of the group and its subsidiaries and comply with the requirements of the Companies and Allied Matters Act, 2020.
- (b) Establishing adequate internal controls to safeguard the assets of the company and its subsidiaries and detect fraud and other irregularities.
- (c) Preparing consolidated and separate financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

The Investment and Securities Act (2007) mandates the Board of Directors of a public company to report on the effectiveness of the company's internal control system over financial reporting, in its annual report.

The Act equally requires the auditor of a public company to issue a statement as to the existence, adequacy and effectiveness or otherwise of the internal control system of the company over its financial reporting.

Guidance issued by the Securities and Exchange Commission (SEC) on implementation requires companies to adopt a robust system of controls designed specifically to address risks relating to financial reporting, such as the integrated framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

ABC Transport Plc's internal control over financial reporting is an integrated multi-layered system of controls built on management structures designed for adequate coverage, and tailored to the peculiarities of the business of the company and its subsidiaries. These controls aim at ensuring completeness, accuracy and fair presentation of all elements of the financial statements and associated disclosures.

We duly carried out assessment of our internal controls for 2024 within the timelines stipulated by law using the "Internal Control- Integrated Framework" (COSO 2013) promulgated by the Committee of Sponsoring Organizations of the Treadway Commission.

While our assessments and reviews did not reveal any material weakness in our internal control system over financial reporting, gaps were uncovered in certain areas and adequate measures taken to close them before the end of the financial year.

The effectiveness of the Company's internal control over financial reporting for the financial year 2024 has been reviewed by our external auditors (Forvis Mazars) and their opinion stated in their report which appears herein.



**Mr Jude Nneji**  
**Managing Director/CEO**  
**FRC/2015/PCNNG/0000011844**

**31 March 2025**



**Mr. Rex Okoro**  
**Chief Finance Officer**  
**FRC/2014/ICAN/007349**

**31 March 2025**

## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CEO's CERTIFICATION OF MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2024

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I the undersigned, certify that:

(a) I have reviewed the ICFR implementation report for ABC Transport Plc for the financial year, 2024.

(b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which statements were made, not misleading with respect to the period covered by this report.

(c) Based on my knowledge, the financial statements, and other financial information to which this report relate, fairly present in all material respects the financial condition, result of operations and cash flows of the entity as of, and for, the period presented in this report.

(d) I, in conjunction with the Chief Financial Officer, are

1. responsible for establishing and maintaining internal controls.
2. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within whose entities, particularly during the period in which this report is being prepared.
3. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.
4. have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.

(e) We have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors:

1. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
2. Any fraud, whether material or not material, that involves management or other employees who have a significant role in the entity's internal control system.

(f) We have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



.....  
**Mr Jude Nneji**  
**Managing Director/CEO**  
**FRC/2015/PCNNG/0000011844**

**31 March 2025**

## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CERTIFICATION OF MANAGEMENT ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2024

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#### Certification Pursuant to section 405(1) of Companies and Allied Matters Act 2020.

I the undersigned, certify that:

- (a) I have reviewed the ICFR implementation report for ABC Transport Plc for the financial year, 2024.
- (b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which statements were made, not misleading with respect to the period covered by this report.
- (c) Based on my knowledge, the financial statements, and other financial information to which this report relate, fairly present in all material respects the financial condition, result of operations and cash flows of the entity as of, and for, the period presented in this report.
- (d) I, in conjunction with the Managing Director, are:
1. responsible for establishing and maintaining internal controls.
  2. have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within whose entities, particularly during the period in which this report is being prepared.
  3. have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.
  4. have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- (e) We have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors:
1. All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
  2. Any fraud, whether material or not material, that involves management or other employees who have a significant role in the entity's internal control system.
- (f) We have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.



**Mr. Rex Okoro**  
**Chief Finance Officer**  
**FRC/2014/ICAN/007350**

**31 March 2025**

*Independent Auditor's Report*  
**To the members of ABC Transport Plc**

*Report on the Audit of the Financial Statements*

**Our Opinion**

In our opinion, the consolidated and separate financial statements of ABC Transport Plc ("the Company") give a true and fair view of the financial position of the company and its subsidiaries (together "the Group") as at 31 December 2024, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act No. 42, 2023.

**What we have Audited**

ABC Transport Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statement of financial position as at 31 December 2024;
- the consolidated and separate statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statement of changes in equity for the year then ended;
- the consolidated and separate statement of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies and other explanatory information.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

**Independence**

We are independent of the company in accordance with the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

**Key Audit Matters**

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

Key Audit Matter	How the Matter was Addressed in the Audit
<p><b>Accuracy of accounting for Truck Purchase Agreement with customer</b></p> <p>During the audit of ABC Transport Plc for the year ended 31 December 2024, we identified a significant transaction involving the acquisition of 30 CNG trucks under a contract with a customer.</p> <p>The customer made a full upfront payment of ₦4,037,663,973 to the vendor, for the trucks, which are to be used exclusively by ABC Transport Plc for four years, to provide haulage services to the customer. In return, the customer will enjoy haulage services to the tune of the above amount. Given the size of the transaction, and the complexity in determining the appropriate accounting treatment, this was considered a key audit matter.</p> <p>The primary issue was whether the full cost of the trucks should be recognized in ABC Transport Plc's financial statements as Property, Plant, and Equipment (PPE), with a corresponding liability classified as deferred revenue or contract liability, or whether the transaction should be accounted for as a financing arrangement. Management accounted for the transaction by discounting the liability to a present value using their Incremental Borrowing Rate (IBR), recognizing PPE at the discounted amount and recording a financial liability rather than deferred revenue.</p> <p>We challenged this treatment, as the trucks were fully paid for by the customer and received by ABC Transport Plc, which in our view warranted full recognition in PPE at cost, with a liability that appropriately reflects the obligation to provide haulage services over the contract period.</p>	<p>To assess the appropriateness of ABC Transport Plc's accounting treatment, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• <b>Evaluated the Contract Terms:</b> We reviewed the agreement between ABC Transport Plc and the customer, to determine the nature of the transaction and whether it constituted a financing arrangement or an advance payment for future haulage services.</li> <li>• <b>Assessed Recognition Criteria:</b> We considered the relevant accounting standards, including IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments, to determine whether the transaction should be recognized as deferred revenue or borrowings.</li> <li>• <b>Challenged the Application of Time Value of Money:</b> We assessed the justification for applying an IBR to discount the liability and engaged with management to understand the rationale behind this treatment. We also performed independent calculations to verify the impact of discounting.</li> <li>• <b>Verified the Asset Recognition:</b> We inspected supporting documentation, including invoices, delivery confirmations, and registration details of the trucks, to confirm that the assets were received and controlled by ABC Transport Plc.</li> <li>• <b>Reviewed Financial Statement Disclosures:</b> We ensured that the accounting policies and disclosures of this transaction were adequately presented in the financial statements in accordance with IFRS.</li> </ul> <p>Refer to Notes 3.3 and 14 to the financial statements, for accounting policy, detailed presentation and disclosure of property, plant and equipment.</p>

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## Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Summary of Performance, Report of the Directors, Report of the Audit Committee, Statement of Directors' Responsibilities, Statement of Corporate Responsibility, Management's Annual Assessment of, and Report on ABC Transport Plc's Internal Control over Financial Reporting, CEO's Certification of Management's Assessment of Internal Control over Financial Reporting, CFO's Certification of Management's Assessment of Internal Control over Financial Reporting, Consolidated and separate Statement of Value Added, Five-year Financial Summary - Group and Five-year Financial Summary - Company but does not include the Consolidated and separate Financial Statements, the Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting and our Independent Auditor's Report thereon which we obtained prior to the date of this auditor's report, and the other sections of the ABC Transport Plc 2024 Annual Report, which are expected to be made available to us after that date.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated if, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard. When we read the other sections of the ABC Transport Plc 2024 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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## Responsibilities of the Directors and Those Charged with Governance for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in a manner required by the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria Act No. 42, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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## Auditor's Responsibilities for the Audit of the Consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

*Independent Auditor's Report*

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

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

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

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**Report on Other Legal and Regulatory Requirements**

The Companies and Allied Matters Act, 2020 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) The company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
- iii) The company's statement of financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

**Compliance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting**

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of ABC Transport Plc's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 31 March 2025.



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Adams Osamudame, FCA  
FRC/2021/004/00000023940  
For: Forvis Mazars  
Lagos, Nigeria



31 March 2025

## *Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control over Financial Reporting*

### **To the members of ABC Transport Plc**

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#### **Opinion**

In our opinion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by the management of ABC Transport Plc is not effective as of 31 December 2024, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Implementation of sections 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

#### **Scope**

We have performed an assurance engagement on ABC Transport Plc's (the "Company's") internal control over financial reporting as of 31 December 2024 to ascertain its effectiveness based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC's Guidance on Assurance Engagement Report on Internal Control over Financial Reporting (the "Guidance"), to report on the Company's Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in the Company's Management's Assessment on Internal Control over Financial Reporting as of 31 December 2024 (the "Report").

The Company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on the Assessment of Internal Control over Financial Reporting as of 31 December 2024. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our assurance engagement.

#### **Basis for Opinion**

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

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

#### **Definition and Limitations of Internal Control over Financial Reporting**

Internal control is a process, effected by an entity's Board of Directors, Management, and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance. A Company's internal control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

*Report on Limited Assurance Engagement Performed on Management's Assessment of Internal Control over Financial Reporting*

**Framework Adopted by ABC Transport Plc**

In designing, establishing, and operating the Internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the ICFR, ABC Transport Plc applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting (Criteria). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization; As a result, the subject matter information may not be suitable for another purpose.

**Our Independence and Quality Management**

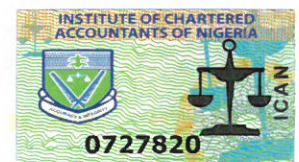
We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and have the required competencies and experience to conduct this assurance engagement. We also apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

**Other Matter**

We have also audited, in accordance with the International Standards on Auditing, the financial statements of ABC Transport Plc and our report dated 31 March 2025 expressed an unqualified opinion.



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**Adams Osamudiamé, FCA**  
**FRC/2021/004/00000023940**  
**For: Forvis Mazars**  
**Lagos, Nigeria**



**31 March 2025**

**ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2024**

	Notes	Group		Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Non-current assets</b>					
Property, plant and equipment	14	8,250,559	4,451,927	7,109,653	3,444,331
Right of use assets	15	15,896	26,557	-	-
Intangible assets	16	21,172	23,829	20,714	22,995
Investment in subsidiaries	17	-	-	141,470	141,470
Financial assets - FVOCI	18.1	1,845	1,845	1,845	1,845
Financial assets - FVPL	18.2	18,876	15,779	18,876	15,779
Deferred tax asset	11.4	412,435	59,864	59,864	59,864
<b>Total non-current assets</b>		<b>8,720,783</b>	<b>4,579,800</b>	<b>7,352,422</b>	<b>3,686,283</b>
<b>Current assets</b>					
Inventories	19	1,060,714	1,007,481	304,413	277,099
Trade and other receivables	20	754,988	398,011	665,698	377,510
Other assets	21	1,138,790	817,031	497,427	371,119
Cash and cash equivalents	22	318,781	215,768	111,938	62,380
Current tax assets	11.3	9,809	5,405	-	-
<b>Total current assets</b>		<b>3,283,082</b>	<b>2,443,696</b>	<b>1,579,475</b>	<b>1,088,108</b>
<b>Total assets</b>		<b>12,003,865</b>	<b>7,023,496</b>	<b>8,931,897</b>	<b>4,774,391</b>
<b>Equity and reserves</b>					
Share capital	23.1	1,196,311	1,196,311	1,196,311	1,196,311
Share premium	23.2	434,607	434,607	434,607	434,607
Accumulated losses	24	(513,010)	(1,045,817)	(407,291)	(659,209)
Other comprehensive (loss)/ income	25	(77,837)	(62,331)	18,188	18,188
<b>Shareholder's fund</b>		<b>1,040,071</b>	<b>522,770</b>	<b>1,241,815</b>	<b>989,897</b>
Non-controlling interests	26	229,058	92,832	-	-
<b>Total equity and reserves</b>		<b>1,269,129</b>	<b>615,602</b>	<b>1,241,815</b>	<b>989,897</b>
<b>Non-current liabilities</b>					
Loans and borrowings	27	775,844	1,666,595	775,844	1,486,962
Provisions	29	141,573	63,635	141,573	63,635
Deferred tax liabilities	11.4	30,970	27,695	-	-
<b>Total non-current liabilities</b>		<b>948,387</b>	<b>1,757,925</b>	<b>917,417</b>	<b>1,550,597</b>
<b>Current liabilities</b>					
Loans and borrowings	27	1,069,285	814,059	985,930	683,564
Post employment benefits - defined contribution	28	367,058	343,028	365,338	341,307
Post employment benefits - defined benefits	28	-	129,871	-	129,700
Current tax liabilities	11.2	653,940	441,332	265,242	138,809
Trade and other payables	30	7,503,228	2,764,085	5,050,270	831,081
Contract liabilities	31	192,838	157,595	105,885	109,437
<b>Total current liabilities</b>		<b>9,786,349</b>	<b>4,649,970</b>	<b>6,772,665</b>	<b>2,233,897</b>
<b>Total Liabilities</b>		<b>10,734,736</b>	<b>6,407,895</b>	<b>7,690,082</b>	<b>3,784,494</b>
<b>Total equity and liabilities</b>		<b>12,003,865</b>	<b>7,023,496</b>	<b>8,931,897</b>	<b>4,774,391</b>

The annual report, consolidated and separate financial statements and the notes on pages 22 to 85, were approved by the Board on 31 March 2025 and were signed on its behalf by:



**Prince Olumide Obayomi**  
**Chairman**  
**FRC/2014/ICAN/009248**



**Mr. Jude Nneji**  
**Managing Director/CEO**  
**FRC/2015/PCNNG/0000011844**



**Mr. Rex Okoro**  
**Chief Finance Officer**  
**FRC/2014/ICAN/007350**

The accompanying notes and statement of material accounting policy information form an integral part of these consolidated and separate financial.

ABC TRANSPORT PLC

ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
 CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Group		Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Continuing operations</b>					
Revenue from contracts with customers	5.1	12,515,137	7,331,982	5,969,897	3,536,677
Direct costs	5.2	(9,642,922)	(5,666,980)	(4,569,537)	(2,645,493)
<b>Gross profit</b>		<b>2,872,215</b>	<b>1,665,002</b>	<b>1,400,360</b>	<b>891,184</b>
Other operating income/(loss)	7.1.	462,585	(57,169)	279,034	145,506
Interest income	7.3	-	36	-	36
Net fair value gains on financial assets through profit or loss	7.4.	3,096	1,706	3,096	1,706
Other gains	7.5.	296,388	211,316	63,706	261,592
Impairment losses	8	-	-	-	-
Administrative expenses	9.1	(2,249,856)	(1,780,691)	(824,595)	(691,294)
<b>Operating profit</b>		<b>1,384,429</b>	<b>40,200</b>	<b>921,601</b>	<b>608,730</b>
Finance costs	10	(465,977)	(408,813)	(425,145)	(347,794)
<b>Profit/(loss) before tax</b>		<b>918,452</b>	<b>(368,613)</b>	<b>496,456</b>	<b>260,936</b>
Income tax expense	11	(249,264)	(171,941)	(244,539)	(112,965)
<b>Profit/(loss) from continuing operations</b>		<b>669,188</b>	<b>(540,554)</b>	<b>251,917</b>	<b>147,971</b>
<b>Attributable to:</b>					
Equity shareholders		532,807	(175,326)	251,917	147,971
Non-controlling interests	26	136,381	(365,228)	-	-
		<b>669,188</b>	<b>(540,554)</b>	<b>251,917</b>	<b>147,971</b>
<b>Other Comprehensive income:</b>					
Net exchange differences on translating foreign operations	25	(15,506)	(64,379)	-	-
Other comprehensive loss		(15,506)	(64,379)	-	-
<b>Total comprehensive profit/(loss) for the year</b>		<b>653,682</b>	<b>(604,933)</b>	<b>251,917</b>	<b>147,971</b>
<b>Attributable to:</b>					
Equity shareholders		517,456	(239,062)	251,917	147,971
Non-controlling interests	26	136,226	(365,228)	-	-
		<b>653,682</b>	<b>(604,933)</b>	<b>251,917</b>	<b>147,971</b>
Basic and diluted (loss)/profit per share (Kobo)	12	27.97	(22.59)	10.53	6.2

The accounting policies and notes on pages 14 to 45 form an integral part of these consolidated and separate financial.

ABC TRANSPORT PLC

ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 31 DECEMBER 2024

**Attributable to equity holders - the Group**

	Share capital N'000	Share premium N'000	Accumulated losses N'000	Cumulative translation reserve N'000	Non controlling interests N'000	Total N'000
<b>At 1 January 2023</b>	<u>1,196,311</u>	<u>434,607</u>	<u>(834,601)</u>	<u>2,048</u>	<u>458,703</u>	<u>1,257,089</u>
<b>Changes in equity for 2023:</b>						
Loss for the year	-	-	(175,326)	-	(365,228)	(540,554)
Net exchange differences on translating foreign operations	-	-	-	(64,379)	(644)	(65,023)
						-
<b>Transactions with owners, recorded directly in equity:</b>						
Dividend paid	-	-	(35,889)	-	-	(35,889)
<b>At 31 December 2023</b>	<u>1,196,311</u>	<u>434,607</u>	<u>(1,045,817)</u>	<u>(62,331)</u>	<u>92,832</u>	<u>615,602</u>
<b>At 1 January 2024</b>	<u>1,196,311</u>	<u>434,607</u>	<u>(1,045,817)</u>	<u>(62,331)</u>	<u>92,832</u>	<u>615,602</u>
<b>Changes in equity for 2024:</b>						
Profit for the year	-	-	532,807	-	136,381	669,188
Net exchange differences on translating foreign operations	-	-	-	(15,506)	(155)	(15,661)
<b>31 December 2024</b>	<u>1,196,311</u>	<u>434,607</u>	<u>(513,010)</u>	<u>(77,837)</u>	<u>229,058</u>	<u>1,269,129</u>

The accounting policies and notes on pages 14 to 45 form an integral part of these consolidated and separate financial.

**ABC TRANSPORT PLC**

**ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
SEPARATE STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024**

**Attributable to equity holders- the Company**

	Share capital N'000	Share premium N'000	Accumulated losses N'000	OCI reserves N'000	Total N'000
<b>1 January 2023</b>	<b>1,196,311</b>	<b>434,607</b>	<b>(771,290)</b>	<b>18,188</b>	<b>877,816</b>
<b>Changes in equity for 2023:</b>					
Profit for the year	-	-	147,971	-	147,971
<b>Transactions with owners, recorded directly in equity:</b>					
Dividend paid	-	-	(35,889)	-	(35,889)
<b>31 December 2023</b>	<b>1,196,311</b>	<b>434,607</b>	<b>(659,209)</b>	<b>18,188</b>	<b>989,897</b>
<b>1 January 2024</b>	<b>1,196,311</b>	<b>434,607</b>	<b>(659,209)</b>	<b>18,188</b>	<b>989,897</b>
<b>Changes in equity for 2024:</b>					
Profit for the year	-	-	251,917	-	251,917
<b>31 December 2024</b>	<b>1,196,311</b>	<b>434,607</b>	<b>(407,291)</b>	<b>18,188</b>	<b>1,241,815</b>

The accounting policies and notes on pages 14 to 45 form an integral part of these consolidated and separate financial.

# ABC TRANSPORT PLC

## ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Cash flows from operating activities</b>					
Profit/(loss) for the year		669,188	(540,555)	251,917	147,971
<b>Adjustment for:</b>					
Depreciation and amortisation	14	790,932	676,481	592,006	583,556
Transfers & reclassification	14	-	(28,751)	138,504	-
Fair value gain on financial assets - FVTPL	18.2	(3,096)	(1,706)	(3,096)	(1,706)
Interest expense	10	465,977	408,813	425,145	347,794
Pension deducted	28.2	82,840	66,467	82,840	66,467
Over provision of tax	11.5	50,610	(47,986)	50,610	(67,376)
Deferred tax	11.4	(352,571)	-	-	-
Income tax expense	11	249,264	171,941	244,539	45,589
Profit on disposal of property, plant and equipment	7.5.	(44,967)	(146,156)	(44,967)	(146,156)
Impairment charge on other assets	21	(1,147)	(260)	-	(260)
Impairment charge on related party	20.5	60,868	42,924	60,868	42,924
Impairment charge on other receivables	8	(42,106)	(23,343)	(9,812)	(14,850)
Impairment charge on staff receivables	8	(22,655)	35,811	(22,655)	35,811
		<b>1,903,137</b>	<b>613,680</b>	<b>1,765,899</b>	<b>1,039,764</b>
<b>Changes in working capital</b>					
Current tax assets	11.3	(4,404)	(3,787)	-	4,299
Inventories	19	(53,233)	262,041	(27,314)	10,215
Trade and other receivables	20	(356,977)	(113,008)	(288,188)	39,590
Other assets	21	(321,759)	46,237	(126,308)	(122,819)
Trade and other payables	30	4,699,553	629,838	3,968,928	(53,926)
Contract liabilities	31	35,243	(34,221)	(3,552)	-
<b>Cash generated from operating activities</b>		<b>5,901,559</b>	<b>1,400,780</b>	<b>5,289,465</b>	<b>917,123</b>
Tax paid through cash	11.5	(126,374)	(48,061)	(29,497)	(5,063)
Pension remitted	28.2	(58,807)	(36,448)	(58,808)	(36,449)
Employee benefit paid	28.3	(25,037)	(15,827)	(25,037)	(15,827)
<b>Net cash generated from operating activities</b>		<b>5,691,340</b>	<b>1,300,444</b>	<b>5,176,123</b>	<b>859,784</b>
<b>Cash flows from investing activities:</b>					
Investments in financial assets - FVTPL withdrawals	18.2	-	3,500	-	(3,500)
Purchase of property, plant and equipment	14	(4,555,278)	(1,124,897)	(4,376,324)	(1,061,285)
Purchase of intangible assets	16	(18,544)	(6,540)	(17,577)	(6,000)
Proceeds on sale of property plant and equipment		101,235	193,906	101,235	184,738
Interest received	7.3	-	36	-	36
<b>Net cash used in investing activities</b>		<b>(4,472,587)</b>	<b>(933,995)</b>	<b>(4,292,666)</b>	<b>(886,011)</b>
<b>Cash flows from financing activities:</b>					
Additional loans and borrowings	27	526,548	1,310,155	308,000	888,552
Dividend paid		-	(35,889)	-	(35,889)
Investment in Subsidiaries(ABC Cargo Express Limited)	17	-	-	-	(100,000)
Repayment of loans and borrowings	27	(1,162,073)	(947,973)	(716,752)	(378,607)
Finance costs	10	(465,977)	(408,813)	(425,145)	(347,794)
<b>Net cash used in financing activities</b>		<b>(1,101,502)</b>	<b>(82,519)</b>	<b>(833,897)</b>	<b>26,262</b>
<b>Net movement in cash and cash equivalents</b>		<b>117,251</b>	<b>283,930</b>	<b>49,560</b>	<b>(1)</b>
Cash and cash equivalents at 1 January		201,531	(82,363)	62,379	62,380
<b>Cash and cash equivalents at 31 December</b>	22.1	<b>318,781</b>	<b>201,567</b>	<b>111,939</b>	<b>62,379</b>

The accounting policies and notes on pages 14 to 45 form an integral part of these consolidated and separate financial.

## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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#### 1 General information

##### 1.1 The Group

These consolidated and separate financial statements comprise the financial statements of ABC Transport Plc (referred to as "the Company" and its subsidiaries (together referred to as "the group"). The Company which became a public liability Company in 2005 equally owns 99% in ABC Transport in Ghana, 50% equity stake in Transit Support Services Ltd, a trading Company engaged in the importation and sales of vehicle spares and installation of motor vehicle speed governing devices commenced operation on 1 June, 2008, and a 5% stake in ABC Express Courier (ABEX) Limited. In October 2014, Transit Support Services Limited commenced the assembly of heavy duty trucks under the automotive policy of the Federal Government of Nigeria. The assembly is carried out at the Company's assembly facility located at Emene Industrial Layout, Enugu. The Cargo Division of the Company became a separate entity with effect from January 1, 2023 under the name "ABC Cargo Express Limited". ABC Transport Plc owns 99.9% equity stake in ABC Cargo Express Limited.

##### 1.2 Corporate office

The registered office address of the Company is Kilometre 5, MCC/Uratta Road, Umuoba Uratta, P. O. Box 2575, Owerri, Imo State.

##### 1.3 Principal activities

The principal activities of the group are road transportation, cargo business across the road passenger network, haulage activities, importation and sales of vehicle spares, installation of motor vehicle speed governing devices, assembly of heavy duty trucks under the automotive policy of the Federal Government of Nigeria and hospitality business.

#### 2 Basis of preparation

##### 2.1 Statement of compliance with IFRSs

These consolidated and separate financial statements are the financial statements of the Company and its subsidiaries (together, "the group"). The consolidated and separate financial statements for the year ended 31 December 2024 have been prepared in line with IFRS 10 on consolidated and separate Financial Statements in accordance with the International Financial Reporting Standards (IFRS®) as issued by the International Accounting Standard Board (IASB®) and in compliance with the Financial Reporting Council of Nigeria Act, No 42, 2023.

Additional information required by local regulators are included where appropriate.

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

##### 2.2 Basis of measurement

These consolidated and separate financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except as modified by fair valuation of financial assets and liabilities where applicable.

##### 2.3 Use of estimates and judgements

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

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have significant effect on the amount recognised in the financial statements.

##### i Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

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A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

**ii Depreciation and carrying value of property, plant and equipment**

The estimation of the useful lives of assets is based on management's judgement. Any material adjustment to the estimated useful lives of items of property and equipment will have an impact on the carrying value of these items.

**iii Determination of impairment of property, plant and equipment, and intangible assets**

Management is required to make judgements concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The group applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

**iv Determination of collateral Value**

Management monitors market value of collateral on a regular basis. Management uses its experienced judgement and independent opinion to adjust the fair value to reflect the current circumstances. The amount and collateral required depend on the assessment of credit risk of the counterpart.

**v Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 44 for further disclosures.

**2.4 Going concern consideration**

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

**2.5 Functional and presentation currency**

These consolidated and separate financial statements are presented in Nigerian Naira, which is the group's functional currency. Except as indicated in these consolidated and separate financial statements, financial information presented in Naira has been rounded to the nearest thousand.

**2.6 Basis of consolidation**

The consolidated financial statements incorporate the financial statement of ABC Transport Plc and its subsidiaries made up to 31 December each year.

Subsidiaries are entities over which the Group has control. IFRS 10 defines control as having these three elements: (a) power over an investee, (b) exposure or rights to variable returns from involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

Although the equity interest of the Group in Transit Support Service Limited is 50%, control is predicated on the fact that: (i) The Founder of ABC Transport Plc, who is also non-executive director in the Company owns 47% equity of the remaining equity share; (ii) The Managing director of ABC Transport Plc represents the Company on the Board of Transit Support Services Ltd; and (iii) ABC Transport Plc is a major customer to Transit Support Services Ltd, which deals on vehicle consumable and speed governing devices.

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All intra-group transactions, income and expenses are eliminated in full on consolidation.

Non-controlling interests represent the portion of profit or loss and net assets of subsidiaries not owned, directly or indirectly by ABC Transport Plc. Non-controlling interests are presented separately in the consolidated income statement and within equity in the consolidated statement of financial position separately from the parent shareholders' equity.

Associates are those entities over which the Group can exercise significant influence, but not control or joint control. Investment in associate is accounted for in the financial statements using the equity method. Investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share in the net assets of associate, less any impairment in value. The statement of profit or loss reflects the Group's share of the results of the operations of associate.

**2.7 Adoption of new and revised standards**

**2.8 Standards Issued and Effective on or after 1 January 2024  
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)**

The amendments to IAS 7 and IFRS 7 regarding Supplier Finance Arrangements introduce new disclosure requirements to enhance transparency. Companies must provide qualitative and quantitative information about these arrangements, including terms and conditions, carrying amounts of financial liabilities, and payment due dates. The amendments aim to help users assess the effects on liabilities, cash flows, and liquidity risk. Effective from January 1, 2024, these changes ensure investors better understand the impact of supplier finance arrangements.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The application of the amendments is not expected have a material effect on the group's financial statements.

**Amendments to IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current**

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

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

**Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)**

The amendments to IFRS 16 clarify how a seller-lessee should measure lease liabilities in sale and leaseback transactions that meet the criteria for a sale under IFRS 15. Initially, the seller-lessee must include variable lease payments when measuring the lease liability arising from the transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability, ensuring no gain or loss is recognized related to the right of use retained

These amendments aim to provide consistent application of IFRS 16 by addressing the measurement of lease liabilities post-transaction. Effective from January 1, 2024, the amendments require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019. This ensures transparency and accuracy in financial reporting for such transactions

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**New standards, amendments and interpretations not yet adopted**

The following new pronouncements, considered relevant to the Company, are not yet effective as at 31 December 2024 and have not been early adopted by the Company. The Company's assessment of the impact of these new standards, interpretations or amendments is set out below.

**Lack of Exchangeability (Amendments to IAS 21)**

The amendments to IAS 21 address the issue of currency exchangeability and provide guidance on determining the exchange rate when a currency is not exchangeable. These amendments require entities to assess whether a currency can be exchanged into another currency within a normal administrative delay and through a market or exchange mechanism that creates enforceable rights and obligations. If a currency is not exchangeable, entities must estimate the spot exchange rate at the measurement date

Additionally, the amendments mandate disclosures that enable users of financial statements to understand the impact of a currency not being exchangeable. These disclosures include qualitative and quantitative information about the lack of exchangeability and its effects on the entity's financial position. The amendments are effective for annual reporting periods beginning on or after January 1, 2025

The amendments are effective for annual periods beginning on or after 1 January 2025 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

The amendment will be appropriate applied when the circumstances to demand

**Presentation and Disclosure in Financial Statements - IFRS 18**

This new standard deals with the presentation and disclosure of information in general-purpose financial statements; new requirements:

- specified totals or subtotals within the statement of profit or loss.
- disclosure of management-defined performance measures; over the coverage period.
- aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes; and
- consequential amendments to other accounting standards.

The effective date is 1 January 2027.

**IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information**

This new standard requires entities to disclose information about sustainability-related risks and opportunities that are useful to users relating to providing resources to the entity.

- Entities are required to disclose information about sustainability-related risks and opportunities reasonably expected to affect the prospects.
- Prescribes how the entity prepares and reports its sustainability-related disclosures, setting out general requirements for content and presentation thereof.
- To provide an understanding of the entity's governance processes & controls, strategy to manage, identification processes controls and performance in relation to the sustainability-related risks and opportunities and targets set.

The mandatory adoption date is 1 January 2028.

The amendments are effective for annual reporting periods beginning on or after 1 January 2028, with earlier application permitted.

The amendment will be appropriate applied when the circumstances to demand

**3 Summary of significant accounting policies**

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

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**3.1 REVENUE FROM CONTRACTS WITH CUSTOMERS**

The Group is principally engaged in the following businesses

1. Road passenger transportation
2. Cargo and courier logistics
3. Haulage
4. Importation, assembly and sales of motor vehicles and motor vehicle spare parts and speed limiting devices.
5. Hospitality services.

The Group considers and applies the five-step model of IFRS 15 in the measurement and recognition of revenue from contracts with customers, as follows:

**Contracts with the customers**

The Group enters into several forms of contract in the ordinary course of business.

- Contracts with passengers through the issue of travel tickets.
- Contracts with manufacturing companies for dedicated trucking services.
- Contracts with guests for accommodation.
- Contracts for third-party assembly of vehicles at the Transit Support Services Ltd assembly facility.
- Contracts for sale of both locally assembled and imported vehicles, vehicle spare parts and speed limiting devices
- Contracts for delivering of loads and parcels
- After sales servicing contracts for motor vehicles and speed limiting devices.

Contracts with passengers, for delivery of loads and parcels as well as hospitality are usually short-term with payments for the service made in advance. Contractual terms are therefore usually as indicated on ticket foils, waybill leaflets, website and on-line booking platforms, notices and advertorials, and verbally.

Contracts for dedicated trucking are usually of a longer term and are material on a stand-alone basis. These contracts are usually consummated by Service Level Agreements (SLA) which detail performance obligations of both parties. Obligations usually include capacity requirement, delivery destinations, lead times, safety standards, payment terms, surcharges etc. The Group ensures that the duration of all contracts as well as terms for subsequent renewals and termination, are well spelt out in the contracts. Payment under this arrangement is made at agreed intervals usually on a monthly basis.

For the trading business, contracts are reflected in pro-forma invoices issued to customers and purchase orders placed thereon.

The Group is sometimes engaged to carry out vehicle assembly for third parties at her assembly plant. The terms of these contracts are usually captured in well documented agreements specifying the specifications of the vehicles, production timelines product testing, payment terms, amongst others.

There are also arrangements with clients in e-commerce business, where wallets are maintained for cargo shipment to various locations to the customers of the clients. These wallets are replenished on a continuous basis.

**Collectability: The Group carries out credit appraisals before extension of credit to customers in the cargo delivery business. Such clients are usually required to transact with the Company on cash basis for some period of time before consideration for credit facility. Clients in the dedicated haulage segment are usually blue-chips with good credit rating. Over 80% of the Groups revenue is collected upfront.**

**Revenue recognition and measurement**

Revenue is measured at the fair value of the consideration received or receivable in respect of the performance obligation(s) identified in the contract with the customer.

The Group recognizes revenue when performance obligations are satisfied as follows:

·Passenger business- on successful conveyance of passengers to their destinations. Refunds from service failures are deducted from gross proceeds from ticket sales.

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On presentation of 10 tickets, a customer is awarded a free ticket for the next travel, hence revenue from passenger operations has two distinct obligations i.e obligation to convey passengers in the immediate to their destinations and award credit that will entitle a customer to a free ticket if he/she presents 10 tickets within the stipulated time frame. The consideration initially received for each travel is allocated between revenue and the award credit. The consideration allocated to award credits represents the amount that the entity has received for accepting an obligation to supply services to qualifying customers. This represents both the fair value of the awards on stand-alone basis and the Group's expectations regarding the proportion of credits that will be redeemed. A customer loyalty award obligation is recognized as a liability until the Group fulfill its obligations on them or the claim expires. Claims in respect of a particular year expire at the end of February of the succeeding year.

- Cargo delivery business- for first mile delivery contracts, revenue is recognized as soon as the shipment arrive the destination and for last mile, when the consignee acknowledges receipt of shipment.
- Dedicated haulage services. Revenue is recognized on successful delivery of consignments. Billings are however made at intervals not exceeding one month on the number of successfully completed trips. All issues relating to surcharges, penalties, demurrage etc are resolved with every invoicing.
- Hospitality- room revenue is recognized as soon the guest enjoys the accommodation for the period paid for. Revenue from incidental services such as food and beverages is recognized as the services are rendered to the customers.
- Sale contracts- revenue is recognized when control of the assets is passed on to the buyer.
- Third party assembly contracts- for third party vehicle assembly projects, it is usual for the customer provides the parts to be assembled into fully built units using the assembler plant and labour. The critical performance obligation under such contracts is the aggregation of the discrete parts into functional fully-built vehicles. Revenue under this circumstance will be recognized based on the number of fully-built units certified by the customer.

**Variable consideration**

Where a contract includes variable considerations, the Group estimates the amount of the variable consideration to which it will be entitled under the contract. The variable consideration is estimated at the inception of the contract and constrained until it is highly probable that a significant reversal will not occur in the cumulative revenue recognized when the associated uncertainty that could result in variability is resolved. While some form of variable consideration relating to route diversions, surcharges and penalties are contained in a few haulage contracts, these are of little or no impact as all variations are resolved in monthly cycles and adjustments duly reflected in the revenue of the periods to which they relate.

**Significant financing component**

The Group receives short-term deposits from e-commerce clients and sometimes on vehicle sales transactions. Short term credits are also extended to customers in the ordinary course of business. The Group (applying the practical expedient in IFRS 15) does not consider these arrangements as having significant financing component since these deposits and credits are usually for periods below 12 months.

**Contract assets and liabilities**

Contract assets relate to an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. By the nature of the Group's business and contracts, contract assets will rarely arise, as contracts are short term with billings raised and recognized in the same period with the performance obligations are discharged.

Contract liabilities are an entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. Consideration received for cargo and parcels yet to be delivered as well as deposits from customers at the of the accounting are treated as deferred income and duly disclosed in the financial statements.

**3.1.1 Trade receivables**

Trade receivables arise from an entity's right to consideration in the ordinary course of business where such right is unconditional (only the passage of time is required before the payment of the consideration is due). Trade receivables are presented under current assets in the statement of financial position with relevant disclosures under the notes to the financial statements.

**3.1.2 Investment return**

Investment return consists of dividend, interest and rent receivable, movement in amortized cost on debt securities and other loan and receivables and realized gains and losses.

**3.1.3 Interest income**

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Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the assets carrying amount.

#### 3.1.4 Rental income

Rental income is recognized on an accrued basis.

#### 3.1.5 Realised gains and losses

The realised gains or losses on the disposal of an investment is the difference between proceeds received, net of transaction costs and its original or amortised costs as appropriate.

#### 3.1.6 Proceed from disposal of property, plant and equipment

Proceeds from the disposal of property, plant and equipment are excluded from revenue, they form part of other income as gains or losses from disposal of property, plant and equipment. Gains or losses on the remeasurement of non-current assets classified as held for sale that does not meet the definition of discontinued operations are included in profit or loss from continuing operations.

#### 3.2 Customer loyalty programme

On presentation of 11 manual tickets or 10 e-tickets, a customer is awarded a free ticket for the next travel, hence revenue from passenger operation (coach) is regarded as a multiple-component sales i.e. the components being revenue and award credit.

The Group grants award credits for each sale/travel which is accumulated for each passenger up to the number required for redemption of the award. The consideration initially received for each travel is allocated between revenue and the award credit. The consideration allocated to award credits represents the amount that the entity has received for accepting an obligation to supply awards if customers redeem the credits. This amount reflects both the value of the awards and the Group's expectations regarding the proportion of credits that will be redeemed, i.e. the risk of a claim being made. A customer loyalty award obligation is recognized as a liability until the Group fulfils its obligations to deliver awards to customers or when the risk of a claim has expired. Claims in respect of a particular year expire at the end of February of the succeeding year. Hence, revenue relating to award credits is recognized as the risk expires, i.e. based on the number of award credits that have been redeemed relative to the total number expected to be redeemed. This is in accordance with International Financial Reporting Interpretation Committee 13 (IFRIC 13).

#### 3.3 Property, plant and equipment

##### 3.3.1 Recognition

The fair value of land and buildings have been adopted as the deemed cost for these assets. All other assets have been recognized at their historical costs.

Property, plant and equipment are stated at cost less accumulated depreciation and any recognized impairment loss. Bus terminals and other buildings are carried at their historical cost less accumulated depreciation and any impairment loss. Durability of such items is considered before capitalisation. Major spare parts of motor vehicles which include axle, gear box, engine, body and other significant components are capitalised when they are replaced and depreciated over the remaining useful lives of the assets. The values of the replaced parts are derecognised on replacement.

Buildings on leasehold lands are depreciated over their estimated useful lives unless there are indications that the lease will not be renewable at the expiration of the extant lease terms, in which case the buildings are depreciated over the remaining life of the lease. In such a case a decommissioning cost is capitalised and discounted over the remaining life of the lease in accordance with IAS 37.

##### 3.3.2 Subsequent costs

Major refurbishments and renovations are capitalized as part of the item of the property, plant and equipment and are depreciated over the remaining useful lives of the assets.

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**3.3.3 Depreciation of property, plant and equipment**

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful life, as follows:

<b>Asset class</b>	<b>Useful lives</b>
Luxury buses and trucks	5-10 years
Trailer beds	7-10 years
Shuttle buses	2-5 years
Pool buses	4-6 years
Computers	3-5 years
Furniture and equipment	4-5 years
Buildings	15-20 years

Depreciation commences when assets are available for use.

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted as may be appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value. Gain and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement under other gains/losses.

Asset classified as held for sale are carried at the lower of carrying amount and fair value less cost to sell in accordance with IFRS 5. Items of property, plant and equipment classified as held for sale are not depreciated in accordance with IFRS 5 non-current assets held for sale and discontinued operations.

The group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period.

Borrowing costs relating to self constructed items of property, plant and equipment are capitalised in line with IAS 23 borrowing costs.

**3.3.4 Derecognition**

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

**3.3.5 Reclassification**

When the use of a property changes from owner-occupier to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognized in the income statement to the extent that it reverses a previous impairment loss on the specific property, with any remaining recognized in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognized immediately in the income statement.

**3.4 Inventories**

Motor vehicles assembled for sale, spare parts and other stock items are valued at the lower of cost and net realisable value. Cost includes purchase cost and other cost incurred in bringing the stocks to their present location and condition. The weighted average cost method is used to determine cost.

**3.5 Discontinued operations and non-current assets held for sale**

Discontinued operations and non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use.

Discontinued operations and non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

This is the case, when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and the sale is considered to be highly probable.

A sale is considered to be highly probable if the appropriate level of management is committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan has been initiated. Furthermore, the asset (or disposal group) has been actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale is expected to qualify for recognition as a completed sale within one-year from the date that it is classified as held for sale.

**3.6 Impairment**

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At each reporting date, the Group reviews the carrying amounts of its 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 is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the asset does not belong to a cash generating unit, its fair value is determined and compared to its carrying amount to determine its recoverable amount. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease to the extent of previous revaluation gains, with any residual impairment recognised as an expense.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Indicators of impairment**

The Group's motor vehicle performance report provides the primary reference for motor vehicles impairment review. The report has such indicators as number of breakdowns per vehicle, spares consumption per vehicle, number of operation run per vehicle, accidented vehicles etc. Secondary indicators include market prices technology and the general economic situation in the country.

**3.7 Provisions**

The Group recognises a provision if, and only if:

- i. A present obligation (legal or constructive) has arisen as a result of past event;
- ii. Payment is probable (more likely than not); and
- iii. The amount can be reliably estimated.

A possible obligation i.e. a contingent liability is disclosed but not accrued. However, disclosure is not made if payment is remote.

Provision for settlement of litigation is measured at the most likely amount payable, as advised by the Group's solicitors. Provision for warranties is measured at a probability weighted expected value. Both measurements are at discounted present values using a pre-tax discount rate that reflects the current market assessment of the time value of money specific to the liability.

**3.8 Foreign currencies**

**Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of the entities within the group. Monetary items denominated in foreign currencies are retranslated at the exchange rates applying at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognized in income statement in the period in which they arise except for:

- Exchange differences on foreign currency borrowings which are regarded as adjustments to interest costs, where those interest costs qualify for capitalization to assets under construction.
- Exchange differences on transactions entered into hedge foreign currency risks.
- Exchange differences on loans to or from a foreign operation for which settlement is neither planned nor likely to occur and therefore forms part of the net investment in the foreign operation, which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

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#### 3.9 Taxation

##### 3.9.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expenses that are taxable or deductible in future years and items that are never taxable or deductible. The group and Company liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### 3.9.2 Deferred tax

Deferred tax is recognized on temporary difference between the carrying amounts of asset and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized. Such deferred tax asset and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in transactions that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax asset is reviewed at each reporting date 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 assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset raised, based on tax rates (and tax laws) that have been enacted or substantively enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and asset reflect the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax of the group are recognized in the statement of comprehensive income, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from initial accounting for a business combination, the tax effect is included in the accounting for business combination.

##### 3.9.3 Capital gains tax

Capital gains tax is included in the tax expense for the period to which it relates.

##### 3.9.4 Value added tax

Non-recoverable VAT paid in respect of an item of non-capital nature is written off to statement of comprehensive income. Non-recoverable VAT paid in respect of an item of property, plant and equipment is capitalized as part of the cost of the property, plant and equipment.

The net amount owing to or due from the tax authority is included in debtors or creditors.

Output VAT is excluded from the revenue shown in the statement of comprehensive income.

##### 3.9.5 Withholding tax

The withholding tax credit is used as set-off against income tax payable. Tax credit which is considered irrecoverable is written-off as part of the tax charge for the year.

#### 3.1 Financial assets and liabilities

##### 3.10.1 Initial recognition

The Group initially recognises Trade receivables, equity securities and/or other debt financial assets on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

##### *Day 1 profit or loss*

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognises the difference between the transaction price and fair value in net gains/(losses) from financial instruments. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

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***Amortised cost and gross carrying amount***

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

***Effective interest rate method***

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees.

For purchased or originated credit-impaired ('POCI') financial assets - assets that are credit-impaired at initial recognition, the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

***Interest income***

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired financial assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

**3.10.2 Financial assets - Subsequent measurement**

**a) Debt instruments**

The classification and subsequent measurement of debt instruments depend on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Based on these factors, the Group classifies its debt instruments into one of the following measurement categories:

**Amortised cost:** Assets that are held within a business model whose objective is collection of contractual cash flows and where such cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss due to impairment or upon derecognition of a debt investment that is subsequently measured at amortised cost is recognised in profit or loss. Interest income from these financial assets is included in "Interest and similar income" using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Financial assets that are held within a business model whose objective is achieved both by collection of contractual cash flows and by selling the assets, where those cash flows represent solely payments of principal and interest, and are not designated at fair value through profit or loss, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for recognition of impairment gains and losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to

**Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented in the profit or loss statement within "Net gains/(losses) from financial instruments classified as held for trading" in the period in which it arises. Interest income from these financial assets is included in "Interest and similar income".

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**Business Model assessment**

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected.
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing financial assets is achieved and how cash flows are realized.

**SPPI assessment**

Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money - e.g. periodical rate of interest

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

**Reclassifications**

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

**Modifications**

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss.

If such a modification is carried out because of financial difficulties of the Customer, then the gain or loss is presented together with impairment losses. In other cases, it is presented as "Net gains/(losses)"

**b) Equity instruments**

The Group subsequently measures all unquoted equity investments at fair value through other comprehensive income. Where the Group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in Net gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

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**3.10.3 Impairment of financial assets**

**Overview of the ECL principles**

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

The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering if it is 30 days past due.

For Trade receivables that do not contain a financing component, impairment allowance are made on a LTCEL basis as practical expedient.

**POCI:** Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. ECLs are only recognised or released to the extent that there is a subsequent change in the expected credit losses.

**Credit-impaired financial assets**

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

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

- there is significant financial difficulty of a customer (potential bad debt indicator);
- there is a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the Customer's financial difficulty, granting to the Customer a concession that the Group would not otherwise consider.
- it becomes probable that a counterparty/Customer may enter bankruptcy or other financial reorganisation;
- there is the disappearance of an active market for a financial asset because of financial difficulties; or
- observable data indicates that there is a measurable decrease in the estimated future cash flows from a group of financial assets.
- the financial asset is 90 days and above past due.

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

**3.10.4 Presentation of allowance for ECL**

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

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

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**Write-off**

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

The Company may write-off financial assets that are still subject to enforcement activity.

**3.10.5 Financial liabilities**

***Classification and subsequent measurement***

In both the current and prior period, all financial liabilities are classified and subsequently measured at amortised cost except for loan commitments and financial guarantee contracts.

**Derecognition**

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in covenants are also taken into consideration.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

**Financial guarantee contracts, loans and borrowings and other commitments**

Financial guarantee contracts are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of the debt instrument. Such financial guarantees are given to banks, other financial institutions on behalf of subsidiary, connected entity, directors, staff to secure loans, overdrafts and other banking facilities.

Loans and borrowings and other commitments are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at below-market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently, they are measured at the higher of the amount of loss allowance and the premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

For loans and borrowings and other commitments and financial guarantee contracts, the loss allowance is recognised as a provision.

**'3.11 Right of use assets**

The right of use (Land) relates to a long term lease contract for land on which factory premises of have been built. Up to 2018 the lease was reported as prepayment under other assets in the financial statements, while the yearly amortizations were treated as rent expenses in the profit or loss account. With the adoption of IFRS 16, this asset has been reclassified to Right of use assets. The right of use incidental to short term leases are reported accordingly.

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##### 3.12 Segmental reporting

The management of ABC Transport Plc has determined the operating segments of the Group based upon the information provided to the Managing Director who is considered to be the chief operating decision maker.

The Group is primarily organized on a business basis and it includes the following:

- Coach operation
- Shuttle operation
- Sprinter operation
- Haulage service
- Cargo service
- Hospitality service; and
- Trading (Truck assembly, sale of spares and speed governors).

This is consistent with the way the group manages itself and the format of the Group's internal financial reporting. The second analysis is presented according to the geographic markets comprising Nigeria and Ghana. The Group's geographical segments are determined by the location of the Group's assets and operations.

##### 3.13 Trade and other receivables

Trade and other receivables are recognised and carried at the lower of their original value and recoverable amount. Allowance is made where there is evidence that the balances will not be recovered in full.

##### 3.14 Employee benefits

###### 3.14.1 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value. In relation to the defined contribution plan, the group has in place the Pension fund scheme.

###### Pension fund scheme

In accordance with the provisions of the Pension Reform Act, 2004 as amended the Group has instituted a Contributory Pension Scheme for its employees, where Group presently contribute 11% of employee gross emolument (statutory benchmark is 10%) and while employee contribute 8% which is the statutory benchmark

Obligations for contributions to the defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Contributions to a defined contribution plan that is due more than twelve months after the end of the period in which the employees render the service are discounted to their present value.

Payments to defined contribution plans are recognised as an expense as they fall due. Any contributions outstanding at the year end are included as an accrual in the Statement of Financial Position.

###### 3.14.2 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The group's net obligation in respect of defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any recognized past service costs and fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the group's obligation and that are denominated in the currency in which the benefit are expected to be paid.

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**3.14.3 Termination benefits**

Termination benefits are recognized as an expense when the group is demonstrably committed without realistic possible withdrawals to a formal detail plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies is recognized as expenses if the group has made an offer of voluntary redundancy and it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If the benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

**3.14.4 Short term employee benefits**

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

**3.15 Leases**

The Group recognizes a lease where a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is deemed to be conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from the use.

**3.15.1 As Lessee**

At the commencement of a lease, the Group recognizes a right-of-use asset and a lease liability for leases with tenor exceeding 12 months. For short term leases (leases with tenor of 12 months and below), rentals are expensed immediately to profit or loss. The right-of-use asset is initially measured at the amount of the lease liability plus initial direct costs. Where applicable, lease incentives, payments at or prior to commencement and decommissioning obligations are adjusted for. Subsequently, the right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment. Depreciation is at the shorter of the lease term and the useful lives of the assets

Lease liabilities are initially measured at the present value of the lease payments payable over the lease term discounted at the rate implicit in the lease. Where the rate implicit in the lease cannot be readily determined, the Company's incremental borrowing rate is used. Variable lease payments that depend on an index are included in the initial measurements of the lease liability. Sums expected to be payable by the Group under residual value guarantees are also included. Variable lease payments that are not included in the measurement of the lease liability are recognized in profit or loss. Where there is a subsequent re-measurement due to a revision of any of the initial variables, the resulting difference is treated as an adjustment to the right-of-use asset.

**3.15.2 As Lessor**

The Group classifies each lease as an operating lease or a finance lease. A finance lease is recognized when the contract transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise an operating lease is recognized.

At the commencement of the lease, the Group recognizes assets held under a finance lease as a receivable at an amount equal to the net investment in the lease. The net investment in the lease is the gross investment in the lease (aggregate of the minimum lease receipts plus any unguaranteed residual value) discounted at the interest rate implicit in the lease. Finance income is recognized over the lease term based on the pattern reflecting a constant period rate of return on the net investment.

The Group recognizes operating lease payments as income on a straight line basis.

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**'3.16 Trade and other payables**

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due with one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are stated at their original invoiced value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

**'3.17 Borrowing costs**

Borrowing cost are interest and other costs that the group incurs in connection with borrowing of funds, these include interest expenses calculated using effective interest rate method, finance charges in respect of finance leases and exchange differences arising from foreign currency borrowings' interest cost. Where a range of debt instruments is used to borrow funds or where the financing activities are coordinated centrally, a weighted average capitalization is applied.

**3.18 Equity instruments**

Equity instruments issued by the group are recorded at the value of proceeds received, net of costs directly attributable to the issue of the instruments. Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Where any company purchases the group's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the group's equity holders. Where such shares are subsequently sold, re-issued or otherwise disposed of any consideration received is included in equity attributable to the group's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

**3.19 Finance income and finance costs**

Finance income comprises interest income on fund invested (including available-for-sale financial assets); gain on the disposal of available-for-sale financial assets. Finance income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprises interest expense on borrowing, unwinding of the discount on provision, interest expense on factoring of trade receivables and impairment losses recognised on financial assets except financial costs that are directly attributable to the acquisition, construction or production of a qualifying assets which are captured as part of the related assets. Finance cost are recognise in profit or loss using the effective interest method.

**3.2 Statement of cash flows**

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cashflows such as translation differences, fair value changes, equity-settled share-based payments and other non-cash items, have been eliminated for the purpose of preparing the statement.

**3.21 Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand; cash balances with bank and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

**3.22 Share capital**

The Group has one class of shares, ordinary shares. Ordinary shares are classified as equity. Where new shares are issued, they are recorded in share capital at their par values. The excess of the issue over the per value is recorded in the share premium reserve. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

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**'3.23 Share premium**

This relates to amount received by ABC Transport Plc over and above the face value of its shares.

**'3.24 Dividend distribution**

Dividend distribution to the group shareholders is recognized as a deduction in the revenue reserve in the year in which the dividend is approved by the company's shareholders.

**'3.25 Unclaimed dividend**

Unclaimed dividend are amounts payable to shareholders in respect of dividend previously declared by the Group which have remained unclaimed by the shareholder in compliance with section 385 of the Companies and Allied Matters Act, CAP C20, laws of the federation of Nigeria 2004. Unclaimed dividend are transferred to revenue reserves after twelve years.

**'3.26 (Loss)/Earnings per share**

The Group presents basic (loss)/earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the number of shares outstanding during the year.

**'3.27 Reserves**

**The translation reserve**

The translation reserve comprises all foreign currency differences arising from the translation of the net assets of overseas operations.

**'3.28. Government grants**

Government grants are recognized where there is reasonable assurance that the group will comply with the conditions attached to it, and that the grant will be received. Where government grant is by the extension of interest free loans or below-market rate of interest, the benefit of the interest free/below market interest rate is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. Government grants are recognized in the profit or loss on a systematic basis over the periods in which the group recognizes as expenses the related costs for which the grants are intended to compensate.

**3.29 Financial risk management**

**Overview**

Our risk management objective is to ensure sustainable business growth with stability by promoting a pro-active approach in identifying, evaluating, mitigating and reporting risks associated with the business. In order to achieve these objective, we have established a structured and disciplined approach to Risk Management, including the development of the Risk Matrix, in order to guide decisions of the Group on risk related issues. ABC Group has a risk management system embedded in our day to day business activities which guides our business operations and is being followed in a consistent and systematic manner to increase value to our shareholders. Our Enterprise Risk Management framework focuses on enterprise wide risk of ABC Transport Group with the objective to protect and enhance each entity's value and by extension the Group's value.

**ABC Transport Plc and its subsidiaries (ABC Group) - Risk Management framework**

The Board of Directors sets our overall risk appetite, approve the risk management strategy and is ultimately responsible for the effectiveness of the risk management process and system of internal control within ABC Group.

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Specific objectives of the Group's Risk Management framework are:

- \* To ensure that all the current and future material risk exposures of ABC Group are identified, assessed, quantified, appropriately mitigated and managed.
- \* To establish a framework for ABC Group risk management process and to ensure group-wide implementation.
- \* To ensure systematic and uniform assessment of risks related with the Group's operations.
- \* To reduce operational surprises and losses.
- \* To enable compliance with appropriate regulations, wherever applicable, through the adoption of best practices.
- \* To assure business growth with financial stability.

The Board oversees risk management through the following Committees:

##### **Board Risk Management Committee**

The Board Risk Management Committee is responsible for developing and monitoring the Group's risk management policies which are established to identify and analyse the risks faced by the Group, to set appropriate risk limit and controls, monitor risks and adherence to risk limits. The Committee ensures that risk management policies are integrated into ABC Group's culture. The Committee also reviews quarterly risk management reports and direct appropriate actions to be taken by senior management. The committee reports quarterly to the Board of Directors on its various activities.

##### **Statutory Audit Committee**

The Audit Committee reviews the adequacy of the system of internal controls and takes appropriate actions to remedy any deficiencies.

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#### Corporate Governance and Remuneration Committee

The Corporate Governance and Remuneration Committee assists the Board in fulfilling its responsibilities in relation to Corporate Governance & remuneration matters by ensuring the Group meets the legal and regulatory requirements, thus protecting the Group from incurring operational and reputational liabilities that can affect the achievement corporate goals and objectives.

#### Performance Review Committee

This is a Management Committee of ABC Group comprising functional heads and other top management staff, which convenes monthly to review performance and other pertinent matters bordering on business survival and growth. The committee is saddled with the responsibility of ensuring the business is run in accordance with the stipulations of the Board.

#### Credit Risk Management Committee

The Credit Risk Management Committee assess the credit risk of ABC Group. The Committee review and approve credit request in line with the Group's credit policy.

#### Risk Profile

In the course of daily operations, the Group is exposed to various risks. The risks to which the Group is exposed can be classified under the following major categories: Operational risk (HSE risk), Financial risk (credit risk, liquidity risk, market risk, capital management risk), Reputational risk and Strategic risk.

#### Operational Risk

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

The group's objective is to manage operational risk to be within its risk appetite thus ensuring that the overall control processes and procedures does not restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall group standards for the management of operational risk in the following areas:

- \* Requirements for appropriate segregation of duties, including the independent authorization of transactions/processes.
- \* Requirements for the reconciliation and monitoring of transactions.
- \* Compliance with regulatory and other legal requirements.
- \* Documentation of controls and procedures.
- \* Requirements for the year assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified.
- \* Requirements for the reporting of operational losses and proposed remedial action.
- \* Development of contingency plans
- \* Training and professional development
- \* Ethical and business standards
- \* Risk mitigation approach such as adequate insurance cover on the assets of ABC Group Plc.

The Operational risk of the Group is identified and monitored through risk management review of operational processes and procedures across departments and subsidiaries with the use of Risk Management tool kit such as Risk Registers, Control Self-Assessments, Top 25 Risk of the business and Key Risk Indicators Review.

The functional/business unit heads are responsible for ensuring compliance with risk management procedures. The Internal Audit function is saddled with the responsibility of monitoring compliance and reporting to Board Risk Management Committee.

#### HSE Risk

ABC Group is committed to managing a Health, Safety & Environmental system that promotes a safe working environment for all employees, contractors, customers and visitors to our sites. At ABC Group, Health and Safety has equal importance with all other business activities.

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It is the policy of the Group to carry out its activities in a manner that guarantees health and safety of its workers and other stakeholders, the protection of the company's facilities and the environment and compliance with all regulatory and industry requirements. The Group considers health, safety and environmental issues as very important due to the nature of its core business.

Our objective is to minimize the number of cases of occupational accidents, illnesses, damage to property and environmental degradation.

#### **Financial Risk**

ABC Group Plc's overall risk management focuses on the unpredictability of financial markets and the adverse effect on the company's financial and operational performance. The Group has a risk management function that manages the financial risks relating to the Group's operations under the policies approved by the Board of Directors.

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

- Credit Risk
- Liquidity Risk
- Market Risk
- Foreign Exchange Risk
- Interest Rate Risk
- Other Market Risk

#### **Credit Risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a policy of only dealing with creditworthy customers as a means of mitigating the risk of financial loss from defaults. Credits are also secured with Bank Guarantees from selected Banks where necessary.

The Group uses other publicly available financial information and its own trading records to evaluate its major customers. All credits are administered in line with ABC Transport's Credit policy.

Warning signs for default are promptly identified based on Credit Management & Reporting tools. Mitigating actions such as reduced credit term, aggressive cash collection and downward review of credit limits are highlighted and implemented for high-risk customers based on approval by Executive Management and Management Credit Committee.

#### **Liquidity Risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable and avoidable losses or risking damage to the Group's reputation. Liquidity forecast is performed by the treasury unit of ABC Group Plc to anticipate the cash & liquidity requirements of the Group.

The Group has a clear focus on ensuring sufficient access to capital to finance growth and to refinance maturing debt obligations. As part of the liquidity management process, the Group has various credit arrangements with some banks and related parties which can be utilised to meet its liquidity requirements.

The Group manages its liquidity process by:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Monitoring balance sheet liquidity ratios against internal requirements.
- Managing the concentration and debt profile.
- Usage of overdraft facility to meet liquidity needs

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#### **Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and commodity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### **Foreign Exchange Risk**

The Group transacts some of its purchases and sales in foreign currency and is exposed to foreign exchange risk on these transactions. The Group has no long term assets or liabilities denominated in foreign currency.

Foreign exchange risks are minimized by a reduction in direct import transactions while increasing local purchases from importers. Credit lines from overseas suppliers are utilized prudently to minimize the foreign exchange exposures.

#### **Currency Risk**

The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than its functional currency. The Group is exposed primarily to US Dollars (USD) and the New Ghanaian Cedis (GHS).

The Group monitors the movement in currency rates on an ongoing basis to mitigate the risk that the movements in the exchange rates may adversely affect the Group's income or value of their financial instruments.

#### **Capital Management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence at all times and to sustain future development and growth of the business. The Board of Directors monitors capital on the basis of the gearing ratio. Board of Directors also monitors the level of dividends to ordinary shareholders.

The Group manages its capital structure to achieve capital efficiency, maximise flexibility and give the appropriate level of access to debt markets at attractive cost levels. Also, The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The group does not have a defined share buy-back plan.

#### **Reputational Risk**

Reputational risk is the risk that operations and activities of ABC Group, its related parties or affiliates will negatively affect its image or public perception.

The Group understands the fact that the losses stemming from reputational exposure may not be quantifiable, thus we have implemented structures and procedures which will help protect the company against such losses.

The Board through the Risk Management committee monitor closely, the activities of ABC Transport Group through Brand and Corporate Communications Unit (BCC) who ensures controls for mitigating reputational risk are active at all times.

The Group also regularly engage and interact with stakeholders to know how ABC Transport Group is fulfilling their expectations and improve our performance based on the feedback obtained. Major stakeholders include customers, investors, employees, suppliers, government, regulators, special interest & consumer groups, media and the general public.

#### **Strategic Risk**

The Group organizes strategy review sessions to deliberate on issues relating to changes in operating environment that may impact strategy execution and implementation. These include issues on competition, availability of loans and borrowings, forex for importation, currency devaluation, changes in government policies and macroeconomic variables which have implications for profitability, product availability and business growth.

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Failure to manage this risk could have a wide-ranging impact. It could lower revenues, profitability and returns to shareholders, and severely impair our ability to meet other financial and non-financial objectives.

The Board has the ultimate responsibility for approving strategic plans, initiatives and changes to strategic direction. In addition, ABC Group employs robust strategy development processes which consider the implications of economic, industrial, market, technological and customer developments and trends. Business Performance Review Meeting is carried out monthly for Strategic Business Units to review business performance against target.

#### **4 Critical accounting estimates and judgement**

The Group makes estimates and assumptions about the future that affects the reported amounts of assets and liabilities. Estimates and judgment are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the period of the change, if the change affects that period only, or in the period of change and future period, if the change affects both. The estimates and assumptions that have a significant risks of causing material adjustment to the carrying amount of asset and liabilities in the next consolidated financial statements are discussed below:

##### **a) Impairment of property, plant and equipment and intangible assets**

Management is required to make judgement concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate impairment exist.

##### **b) Property, plant and equipment**

Property, plant and equipment represent the most significant proportion of the asset base of the group, accounting for about 80% of the Group's total assets. Therefore the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

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

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated to write off the cost of property, plant and equipment other than land and work-in-progress on a straight-line basis over the estimated useful life of the respective classes of assets.

Buildings on owned land are depreciated over the period management expects to derive benefit from their use and this period is reviewed annually for appropriateness. Judgment is however applied on the useful lives of buildings constructed on lands held on short-term leases which are only depreciated over a period extending beyond the expiry of the lease if there is reasonable expectation that the lease will be renewed.

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Depreciation charged in the income statement together with the carrying amounts will differ significantly should an expected renewal of short-term fail to materialize. This is in view of the undercharge resulting from the shorter useful lives and the possible impacts of un-capitalized decommissioning costs.

#### **c) Provisions and contingent liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Judgment is equally exercised in assessing the likelihood that a pending litigation will succeed, or a liability will arise and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in the foregoing evaluation processes, actual outcomes may be different from the originally estimated provisions.

#### **d) Non-current assets held for sale**

On retirement of items of property, plant and equipment (usually operational motor vehicles) from operations, they are fair-valued and reclassified to a non-current-assets-held-for-sale account at the lower of their NBVs and fair-value less cost to sell with any differences arising thereon taken to profit or loss. Since there are no active markets dealing in second-hand vehicles, the Group exercises judgment in placing realistic values to the assets classified as held-for-sale by reference to the circumstances of previous disposals taking cognizance of physical conditions, vehicle brands, age, economic realities etc. These valuations are usually carried out by an assets disposal committee comprising the head of materials management, head of administration, head of internal audit, head of finance and the service engineer. The gross value of these assets are usually material and future results could be affected where actual proceeds differ materially from the valuations.

#### **e) Allowances for trade receivables**

The group exercises judgment in measuring and recognizing allowance for trade receivables. Impairment allowance is made when there is objective evidence that the company/group will not be able to collect the debts. The allowance raised is the amount needed to reduce the carrying value to the present value of expected future cash receipts.

Receivables resulting from barter arrangements are not subject to the aged-analysis above as judgment is exercised by management in determining the position of such receivables.

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#### f) Taxes

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

ii) Deferred taxes are recognised for all deductible temporary difference to the extent that it is probable that taxable profit will be available against which these can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

#### 5 Revenue and direct costs

##### 5.1 Revenue from contracts with customers

The following is an analysis of the Company's and Group's revenue for the year from continuing operations (excluding investment income).

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>The Group's revenue comprises:</b>				
Transport earnings	2,622,565	1,982,742	2,644,670	2,018,450
Haulage operations	2,947,908	1,213,564	2,947,908	1,213,564
Loads and waybill	4,121,041	2,505,490	22,119	18,078
Hospitality	355,199	286,585	355,199	286,585
Sale of vehicle spares and speed governors	2,468,423	1,343,601	-	-
	<b>12,515,137</b>	<b>7,331,982</b>	<b>5,969,897</b>	<b>3,536,677</b>

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>5.2 Direct costs</b>				
Personnel costs	1,284,071	923,320	589,741	396,818
Hospitality expenses	166,695	124,017	166,695	124,017
Drivers training academy expenses	25,259	-	25,259	-
Depreciation and amortisation	733,791	614,159	550,885	430,287
Repairs and maintenances	1,135,778	701,850	754,204	421,798
Transport and travelling	3,748,850	2,056,609	2,183,745	1,061,941
Insurance expenses	120,926	68,846	112,152	59,258
Rent expenses	98,874	104,574	17,905	51,268
Oil and lubricant	146,251	88,359	82,265	50,453
Loading and offloading	100,355	(448)	47,848	26,395
Purchase of truck and vehicles parts	1,734,538	1,001,153	-	-
Fines	2,371	896	1,781	522
Food items, drinks, etc.	2,129	2,161	2,129	2,161
Packaging	56,390	(37,278)	-	-
Other direct expenses	286,642	18,764	34,928	20,577
	<b>9,642,922</b>	<b>5,666,980</b>	<b>4,569,537</b>	<b>2,645,493</b>

Other direct expenses includes staff uniform, and passengers manifest insurance expenses

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Gross profit	<u>2,872,215</u>	<u>1,665,001</u>	<u>1,400,360</u>	<u>891,184</u>
Gross margin	<u>23%</u>	<u>23%</u>	<u>23%</u>	<u>25%</u>

5.3 The Company is into a barter arrangement with Federal Radio Corporation of Nigeria - FRCN, in which it extends travel operation services in exchange for advert placement on their broadcast media. Revenue on this arrangement is recognized at the fair value of the services rendered which is the aggregate value of tickets issued. Included in transport earnings above is the sum of N19.70 million (2023 : N28.12 million) earned from the barter arrangement for the period. . Invoices on advert placements are included in advertisement expenses. The barter credits utilized for advert placement in 2024: N7.108m (2023; Nil). All barter income were earned by the parent Company.

#### 5.4. Information about major Customers

ABC Transport Plc (The Company) earned 48% of its revenue in 2024 from Lafarge Africa Plc (2023; 34% ). Revenue from Lafarge (Haulage segment) for 2024 amounted to N2.87 billion (2023; N1.193 billion)

ABC Cargo Express Limited earned 12.3% of its revenue in 2024 from Perfetti Van Melle Limited (2023; 13%). Revenue from Perfetti

(Loads and waybil segment) for 2024 amounted to N501.24 million (N324.43million).

Transit Support Services Limited earned 14% of its revenue in 2024 from Jonthex Electrical Limited (2023: nil). Revenue from Jonthex

(Trading segment) amounted to N344.18 million. (2023; Nil)

#### 6 Segment information

##### 6.1. Description of segments

Management has determined the operating segments based on the reports reviewed by the Budget Committee (chaired by the Managing Director) that are used to make strategic decisions. The Budget committee currently consists of the managing director, the chief financial officer, the head of planning, the chief internal auditor, head of human resources and the operating divisional heads. The committee considers the business from an operating basis based on services, subject to differing risks and return patterns and have identified the reportable segments as follows:

Coach passenger operations	-	long distance service using luxury buses.
Sprinter passenger operations	-	long distance service using midi buses.
Shuttle passenger service	-	relatively shorter distance service using mini buses.
Haulage services	-	dedicated long distance haulage servicing manufacturers.
Cargo services	-	consolidated cargo services including mails and light.
Hospitality CTI	-	budget accommodation targeted at sleep-over passengers.
Corporate and others	-	head office revenue and others.
Trading	-	vehicle assembly, sale of spares and speed governors by Transit Support Services Ltd.

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6.2.a Business segment - 2024

	Coach N'000	Sprinter N'000	Shuttle N'000	Cargo N'000	Haulage N'000	CTI N'000	Trading (Truck / Spare parts sales N'000	Others N'000	Total N'000
<b>Income:</b>									
Gross segment revenue	615,355	1,661,476	345,600	4,098,922	2,947,908	355,199	2,468,334	-	12,492,795
Intersegment revenue	143,532	98,186	10,761	-	-	-	-	-	252,479
<b>Total revenue</b>	<b>758,886</b>	<b>1,759,662</b>	<b>356,361</b>	<b>4,098,922</b>	<b>2,947,908</b>	<b>355,199</b>	<b>2,468,334</b>	<b>-</b>	<b>12,745,274</b>
Other income	22,395	61,587	74,162	215,000	-	-	285,686	210,088	868,918
	<b>781,282</b>	<b>1,821,249</b>	<b>430,523</b>	<b>4,313,922</b>	<b>2,947,908</b>	<b>355,199</b>	<b>2,754,020</b>	<b>210,088</b>	<b>13,614,192</b>
<b>Less: Direct costs</b>									
Material	284,698	828,945	144,467	2,096,665	1,095,665	81,049	1,752,289	19,238	6,303,017
Wages & salaries	62,683	111,333	32,125	604,783	86,983	22,807	53,427	-	974,140
Depreciation-direct	71,297	116,873	33,392	10,548	288,656	16,696	4,719	-	542,182
Depreciation-apportioned	4,909	11,738	12,379	-	7,043	-	-	-	36,068
Finance lease charges	12,869	28,879	6,974	-	369,255	7,168	40,832	-	465,977
Operating lease charges	-	-	-	124,493	-	-	-	-	124,493
Intersegment Expenses	-	-	-	252,479	-	-	-	-	252,479
Other direct overheads	204,399	393,068	84,455	220,881	639,071	99,246	45,597	5,336	1,692,053
Total direct cost	<b>640,855</b>	<b>1,490,836</b>	<b>313,792</b>	<b>3,309,849</b>	<b>2,486,673</b>	<b>226,967</b>	<b>1,896,863</b>	<b>24,574</b>	<b>10,390,409</b>
<b>Contribution to profit</b>	<b>140,426</b>	<b>330,413</b>	<b>116,732</b>	<b>1,004,073</b>	<b>461,235</b>	<b>128,233</b>	<b>857,157</b>	<b>185,514</b>	<b>3,223,783</b>
<b>Less: Apportioned costs</b>									
Workshop charge	17,054	29,333	21,829	-	7,310	-	-	-	75,526
General administration	142,591	245,256	182,516	654,087	219,370	60,000	712,621	13,364	2,229,805
	<b>159,645</b>	<b>274,589</b>	<b>204,345</b>	<b>654,087</b>	<b>226,681</b>	<b>60,000</b>	<b>712,621</b>	<b>13,364</b>	<b>2,305,332</b>
<b>Total expenses</b>	<b>800,500</b>	<b>1,765,425</b>	<b>518,137</b>	<b>3,963,936</b>	<b>2,713,354</b>	<b>286,967</b>	<b>2,609,484</b>	<b>37,938</b>	<b>12,695,740</b>
<b>profit/(Loss) before tax</b>	<b>(19,218)</b>	<b>55,824</b>	<b>(87,614)</b>	<b>349,986</b>	<b>234,555</b>	<b>68,233</b>	<b>144,536</b>	<b>172,150</b>	<b>918,452</b>

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#### 6.2b Business segment - 2023

	Coach N'000	Sprinter N'000	Shuttle N'000	Cargo N'000	Haulage N'000	CTI N'000	Trading (Truck / Spare parts sales N'000	Others N'000	Total N'000
<b>Income:</b>									
Gross segment revenue	506,598	1,185,971	308,253	2,487,411	1,213,564	286,585	1,343,601	-	7,331,983
Intersegment revenue	108,856	31,009	8,729				-		148,593
<b>Total revenue</b>	<b>615,454</b>	<b>1,216,980</b>	<b>316,982</b>	<b>2,487,411</b>	<b>1,213,564</b>	<b>286,585</b>	<b>1,343,601</b>	<b>-</b>	<b>7,480,576</b>
Other income	-	39,108	47,094	8,111	-	-	(179,252)	322,093	237,155
	<b>615,454</b>	<b>1,256,088</b>	<b>364,076</b>	<b>2,495,522</b>	<b>1,213,564</b>	<b>286,585</b>	<b>1,164,349</b>	<b>322,093</b>	<b>7,717,731</b>
<b>Less: Direct costs</b>									
Material	189,870	414,409	88,937	1,361,971	443,051	69,844	1,001,254	-	3,569,335
Salaries and wages	43,152	73,873	22,115	460,008	50,215	16,869	67,331	-	733,563
Depreciation - direct	50,540	130,117	42,528	-	152,227	16,914	42,411	11,651	446,387
Depreciation - apportioned	5,738	13,721	14,469	-	8,233	-	-	-	42,160
Finance lease charges	21,460	45,456	13,058	122,087	255,681	12,140	61,019	-	530,900
Intersegment expenses	-	-	-	148,593	-	-	-	-	148,593
Other direct overheads	118,366	271,382	96,669	(44,231)	260,277	69,553	9,592	-	781,608
Total direct cost	<b>429,126</b>	<b>948,958</b>	<b>277,775</b>	<b>2,048,428</b>	<b>1,169,683</b>	<b>185,320</b>	<b>1,181,607</b>	<b>11,651</b>	<b>6,252,547</b>
<b>Contribution to profit</b>	<b>186,328</b>	<b>307,130</b>	<b>86,301</b>	<b>447,094</b>	<b>43,881</b>	<b>101,265</b>	<b>(17,258)</b>	<b>310,442</b>	<b>1,465,184</b>
<b>Less: Apportioned costs</b>									
Workshop charge	13,019	18,598	15,344	-	5,032	-	-	-	51,994
General administration	152,888	218,412	180,190	377,548	118,782	60,000	667,293	6,691	1,781,804
	<b>165,907</b>	<b>237,010</b>	<b>195,533</b>	<b>377,548</b>	<b>123,815</b>	<b>60,000</b>	<b>667,293</b>	<b>6,691</b>	<b>1,833,797</b>
<b>Total expenses</b>	<b>595,033</b>	<b>1,185,968</b>	<b>473,308</b>	<b>2,425,976</b>	<b>1,293,498</b>	<b>245,320</b>	<b>1,848,900</b>	<b>18,342</b>	<b>8,086,345</b>
<b>(Loss)/profit before tax</b>	<b>20,421</b>	<b>70,120</b>	<b>(109,232)</b>	<b>69,546</b>	<b>(79,934)</b>	<b>41,265</b>	<b>(684,551)</b>	<b>303,752</b>	<b>(368,613)</b>

While Coach segment did not meet the quantitative thresholds of IFRS 8, It has been reported separately as management believes that information about the segment will enable users evaluate the passengers business.the passengers business.

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6.3. Geographical segment	Nigeria N'000	Ghana N'000	Total N'000	Nigeria N'000	Ghana N'000	Total N'000
Revenue from contracts with customer and other income	13,277,207	231,074	13,508,281	7,456,254	112,884	7,569,138
Earnings before depreciation, interest and tax	2,031,964	(72,429)	1,959,535	681,356	22,959	704,314
Finance cost	(465,977)	-	(465,977)	(408,813)	-	(408,813)
Income tax expenses	(238,027)	(11,273)	(249,300)	(171,941)	-	(171,941)
Segment assets	8,250,559	114,118	8,364,677	4,291,213	160,715	4,451,928
Capital expenditure	4,573,822	-	4,573,822	1,130,057	-	1,130,057

#### 6.4 Segment assets and liabilities

Segment assets	Coach N'000	Sprinter N'000	Shuttle N'000	Cargo N'000	Haulage N'000	Truck/ Spare parts	Corporate	Total N'000
						sales N'000	and others N'000	
2024	149,850	568,728	126,935	526,745	5,642,287	1,018,403	217,613	8,250,561
2023	187,957	589,817	179,982	480,456	1,965,258	1,006,251	42,206	4,451,928
<b>Segment liabilities</b>								
2024	-	-	-	-	-	-	-	10,734,736
2023	-	-	-	-	-	-	-	6,407,895
<b>Capital expenditure</b>								
2024	59,894	191,905	80,005	139,217	4,057,574	21,401	23,827	4,573,823
2023	14,548	98,213	18,485	40,521	891,707	51,927	8,116	1,585,933

Segment asset is made up of items of property, plant and equipment and held for sale assets. Other assets like debtors, prepayment, etc are not reported to the Chief Operating Decision Maker on a segment basis, hence they are not included in this report. Liabilities are also not reviewed by the Chief Operating Decision Maker on a segmental basis, hence it has been provided on the Group basis.

In compliance with IFRS 8, Sales of Spare Parts and Vehicle assembly are aggregated and reported as operating segment, considering that they have similar economic characteristics and they are regularly reviewed by the entity's chief operating decision maker.

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	Group	
	2024 N'000	2023 N'000
<b>6.5 Segment reconciliation</b>		
<b>Revenue</b>		
Total revenue from reportable segments	12,745,274	7,331,983
Other revenues	868,918	148,593
<b>Group revenue</b>	<b>13,614,192</b>	<b>7,480,576</b>
<b>Profit</b>		
Total profit/(loss) from reportable segments	918,452	(368,613)
Income tax expense	(249,264)	(171,941)
<b>Group profit/(loss)</b>	<b>669,188</b>	<b>(540,554)</b>
<b>Assets</b>		
Total property, plant and equipment	8,250,559	4,451,927
Other non-current assets	470,224	127,874
Current assets	3,283,082	2,443,696
<b>Group assets</b>	<b>12,003,865</b>	<b>7,023,496</b>

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>7 Other income/(loss)</b>				
<b>7.1. Other operating income /(loss)</b>				
Insurance indemnity	91,436	7,476	3,000	109
Operating rental income (Note 7.1.1)	17,253	16,115	48,703	47,565
Training income	68,747	9,782	68,747	9,782
Other income	3,884	(179,206)	3,258	46
Sale of scrap/other assets	15,100	-	15,100	0
Sale of promotional items	-	1,258	-	1,258
Exchange gain	4,477	544	4,477	544
Demurrage on waybills	456	160	-	-
Franchise income	261,232	86,702	135,749	86,202
Right back of impairment allowance	-	-	-	-
	<b>462,585</b>	<b>(57,169)</b>	<b>279,034</b>	<b>145,506</b>

**7.1.1** Operating rental income relates to income accruing from short term leases of operating assets to ABC Cargo Express Limited and lease of small portions of owned property as warehouses and to operators of restaurants and marts. The payments are usually made 100% upfront with rental income recognised on a straight line basis.

## ABC TRANSPORT PLC

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	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>'7.3 Interest income</b>				
Bank interest	-	36	-	36
<b>'7.4 Net fair value gains on financial assets at fair value</b>	<b>3,096</b>	<b>1,706</b>	<b>3,096</b>	<b>1,706</b>
<b>'7.5 Other gains</b>				
Profit on disposal of property, plant and equipment	44,967	146,156	44,967	146,156
Others (Note 7.5.1)	251,421	65,160	18,738	115,436
	<b>296,388</b>	<b>211,316</b>	<b>63,706</b>	<b>261,592</b>
<b>7.5.1</b> This represents write back of over-provisions, miscellaneous Income on staff fines, drivers negligence and other damages of company properties by the staff in the organisation which have been recovered from the staff.				
<b>8 Net Impairment (write back)/charge</b>				
Impairment losses relating to property, plant and equipment for the company and group in 2024 is Nil. (2023 : Nil).				
Other assets	(1,147)	(260)	-	(260)
Trade and other receivables	(42,106)	(23,343)	(9,812)	(14,850)
Staff receivables	(22,655)	35,811	(22,655)	35,811
Related Parties	60,868	42,924	60,868	42,924
Inventory	-	-	-	-
<b>Total</b>	<b>(5,039)</b>	<b>55,132</b>	<b>28,401</b>	<b>63,625</b>
The net impairment losses were based on fair value				
<b>'9 Expenses by nature</b>				
Staff cost	1,463,794	1,076,352	659,992	465,599
Hospitality	190,752	137,046	175,144	128,060
Materials consumed	3,018,697	1,793,522	2,838,607	1,466,667
General and other exps	5,383,043	3,032,875	550,148	386,525
Bank charges	53,237	28,237	21,218	8,766
Levies, rates and fines	55,485	39,928	35,919	25,203
Printing, stationery and ICT costs	43,171	26,763	16,931	11,659
Rent expenses	122,270	153,039	28,610	76,853
Road expenses and transportation	210,330	152,552	133,042	90,224
Advert and promotional exps	69,534	37,931	20,857	12,321
Accident, compensation and donations	147,743	47,774	61,485	33,602
Utility expenses	103,415	94,497	51,196	46,438
Professional fees	40,139	35,487	24,779	25,051
Insurance	200,462	115,285	183,856	97,144
Depreciation and amortization	790,595	676,385	592,350	462,674
	<b>11,892,666</b>	<b>7,447,672</b>	<b>5,394,132</b>	<b>3,336,787</b>

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	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>'9.1 Administrative expenses</b>				
Personnel expenses	351,699	254,415	173,497	118,695
Medical and First Aid expenses	28,759	22,347	16,997	15,260
Depreciation and amortisation	56,804	62,226	41,464	32,387
Repairs and maintenances	46,691	37,082	28,738	22,744
Transport and travelling expenses	177,196	106,416	77,923	68,271
Insurance expenses	79,535	46,440	71,704	37,886
Compensation, commissions and accident expenses	96,833	17,974	19,650	8,593
Rent and rate expenses	23,395	48,465	10,705	25,585
Licensing/registration	53,114	39,032	34,138	24,681
Director's emolument	56,127	51,304	39,284	35,578
Director's fees	3,800	7,250	2,300	5,750
Public relations, promotions and advertisements	69,534	37,931	20,857	12,321
Donations, subscriptions & dues	50,910	29,800	41,835	25,009
Electricity and lighting	103,415	94,497	51,196	46,438
Bank charges and commission	53,237	28,237	21,218	8,766
Audit fees	13,960	10,199	6,100	5,106
Legal and professional charges	26,178	25,287	18,678	19,945
Printing, stationeries, printed & promotional materials	43,171	26,763	16,931	11,659
Hotel expenses	9,826	6,376	8,449	4,043
Investigation and Security expenses	90,093	64,629	32,547	23,461
Cleaning, sanitation and clearing expenses	26,326	21,878	9,933	10,012
Telephone, postages and newspaper expenses	39,314	30,773	22,990	20,754
Impairment losses on trade, other receivable and other assets	(5,039)	77,812	28,401	63,625
Exchange loss	586,299	536,899	5	2,795
Entertainment expenses	14,231	6,652	7,649	2,801
AGM expenses	8,633	7,806	8,633	7,806
SEC/NSE & other quotation fees	-	955	-	955
Office expenses	11,053	6,624	10,690	6,523
General expenses	134,759	74,621	2,083	23,843
	<b>2,249,856</b>	<b>1,780,691</b>	<b>824,595</b>	<b>691,294</b>
<b>'9.2 Expenses by function</b>				
Direct costs (Note 5.2)	9,642,922	5,666,980	4,569,537	2,645,493
Administrative expenses (Note 9.1)	2,249,856	1,780,691	824,595	691,294
	<b>11,892,779</b>	<b>7,447,672</b>	<b>5,394,132</b>	<b>3,336,787</b>
<b>10 Finance costs</b>				
<b>Financial liabilities held at amortized cost:</b>				
Interest on loans and borrowings	465,977	408,813	425,145	347,794
<b>Total finance costs</b>	<b>465,977</b>	<b>408,813</b>	<b>425,145</b>	<b>347,794</b>

**10.1** All finance charges for the group were as a result of interest on loans and borrowings taken by the group.

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	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>11 Taxation</b>				
<b>11.a Income tax expense</b>				
Back duty assessment: - Income tax	48,974	27,588	48,974	-
- Education tax	1,623	-	1,623	-
-Police levy	13		13	
Income tax	481,316	126,448	160,868	96,946
Education tax	66,585	17,889	33,036	16,006
Nigerian Police Trust Fund	49	16	25	13
<b>Total current tax expense</b>	<b>598,560</b>	<b>171,941</b>	<b>244,539</b>	<b>112,965</b>

The Nigeria Police Trust Fund Act 2019 was signed during the year. The Act imposes a levy of 0.005% on the Group's operating business in Nigeria. The levy is calculated based on the 0.005% of profit before tax.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>'11.b Deferred tax on origination and reversal of temporary differences:</b>				
Deferred tax liability (Note 11.3)	3,275	-	-	-
Total deferred tax charge/(income)	(352,571)	-	-	-
<b>Total income tax expense</b>	<b>249,264</b>	<b>171,941</b>	<b>244,539</b>	<b>112,965</b>

	Group		Company	
	2024	2023	2024	2023
<b>'11.1 Factors affecting tax expenses for the year (Loss)/Profit before tax as shown in the consolidated income statement</b>	<b>918,452</b>	<b>(368,614)</b>	<b>496,456</b>	<b>260,936</b>
Expected income tax expense on profit at statutory tax rate (30%)	275,536	(110,584)	148,937	78,281
Effect of portion of income taxed on a different basis - education tax	66,634	17,905	33,061	16,019
Effect of permanent differences on investment allowance	-	-	-	-
Effect of expenses that are not deductible in determining taxable profit	204,011	201,855	23,347	32,696
Effect of income and expenses that are exempt from taxation	(44,708)	(59,998)	(18,063)	(57,701)
Accelerated capital allowance on property, plant and equipment	(9,229)	10,346	8,209	10,750
Effect of tax on disposal of property, plant and equipment	(1,562)	35,928	(1,562)	32,920
Effect of temporary differences on foreign exchange difference	(352,571)	-	-	-
Effect of additional tax on income derived from Ghana	11,640	-	-	-
Effect of taxation on foreign entity-ABC Ghana Ltd	48,903	-	-	-
Effect of Loss relief - Transport Support Services Limited	-	-	-	-
Effect of minimum taxation on loss making subsidiary - Transit Support Services Limited		48,901	-	-
Adjustment recognized in current year in relation to current tax of prior years	50,610	27,588	50,610	-
	<b>249,264</b>	<b>171,941</b>	<b>244,539</b>	<b>112,965</b>
<b>Effective tax rate</b>	<b>27%</b>	<b>-47%</b>	<b>49%</b>	<b>-124%</b>

No income tax was recognised directly in equity  
No income tax was recognised in other comprehensive income

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	<b>Group</b>		<b>Company</b>	
	<b>2024</b> <b>N'000</b>	<b>2023</b> <b>N'000</b>	<b>2024</b> <b>N'000</b>	<b>2023</b> <b>N'000</b>
<b>11.2 Current tax liabilities</b>				
Income tax payable (Note 11.5)	<u>653,940</u>	<u>441,332</u>	<u>265,242</u>	<u>138,810</u>
<b>11.3 Current tax assets</b>				
Income tax asset	<u>9,809</u>	<u>5,405</u>	<u>-</u>	<u>-</u>
<b>11.4 Deferred tax balances</b>				
The following is the analysis of the deferred tax assets and liability presented in the consolidated and separate statements of financial position:				
Deferred tax assets	<u>412,435</u>	<u>59,864</u>	<u>59,864</u>	<u>59,864</u>
Less : Deferred tax liability	<u>30,970</u>	<u>27,695</u>	<u>-</u>	<u>-</u>
<b>Net deferred tax assets</b>	<u><u>381,465</u></u>	<u><u>32,169</u></u>	<u><u>59,864</u></u>	<u><u>59,864</u></u>

The Group has adopted the International Accounting Standard, IAS 12 on deferred taxation, which is computed using the liability method. The deferred tax computation for the Company has resulted into a deferred tax asset of N782 million which has not been recognised in these financial statements on the grounds of prudence.

	<b>Group</b>			<b>Company</b>		
	<b>At 1 January</b> <b>balance</b> <b>N'000</b>	<b>Recognised in</b> <b>profit</b> <b>or loss</b> <b>N'000</b>	<b>At 31</b> <b>December</b> <b>balance</b> <b>N'000</b>	<b>At 1 January</b> <b>balance</b> <b>N'000</b>	<b>Recognised in</b> <b>profit</b> <b>or loss</b> <b>N'000</b>	<b>At 31</b> <b>December</b> <b>balance</b> <b>N'000</b>
<b>11.4a 2023</b>						
<b>Deferred tax assets in relation to:</b>						
Property, plant and equipment	2,142	-	2,142	2,142	-	2,142
Retirement benefit obligations	16,101	-	16,101	16,101	-	16,101
Provision for doubtful debts	26,832	-	26,832	26,832	-	26,832
Impairment	14,789	-	14,789	14,789	-	14,789
	<u>59,864</u>	<u>-</u>	<u>59,864</u>	<u>59,864</u>	<u>-</u>	<u>59,864</u>
<b>Deferred tax liabilities</b>						
Property, plant and equipment	<u>27,695</u>	<u>-</u>	<u>27,695</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>11.4b 2024</b>						
<b>Deferred tax assets in relation to:</b>						
Property, plant and equipment	2,142	-	2,142	2,142	-	2,142
Retirement benefit obligations	16,101	-	16,101	16,101	-	16,101
Provision for doubtful debts/Exchange i	26,832	352,571	379,403	26,832	-	26,832
Impairment	14,789	-	14,789	14,789	-	14,789
	<u>59,864</u>	<u>352,571</u>	<u>412,435</u>	<u>59,864</u>	<u>-</u>	<u>59,864</u>
<b>Deferred tax liabilities</b>						
Property, plant and equipment	<u>27,695</u>	<u>3,275</u>	<u>30,970</u>	<u>-</u>	<u>-</u>	<u>-</u>

There are no unrecognised deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised.

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	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>*11.5 Current tax liabilities</b>				
Analysis of movements in the current tax balance during the year:				
<b>At 1 January</b>	<b>441,332</b>	461,245	<b>138,810</b>	166,502
Income tax	<b>481,316</b>	126,448	<b>160,868</b>	96,946
Education tax	<b>66,585</b>	17,889	<b>33,036</b>	16,006
Nigerian Police Trust Fund	<b>49</b>	16	<b>25</b>	<b>13</b>
Back duty	<b>50,610</b>	(47,986)	<b>50,610</b>	(67,376)
Adjustment	<b>(160,873)</b>		<b>10,095</b>	
Tax paid during the year	<b>(126,374)</b>	(48,061)	<b>(29,497)</b>	(5,063)
Withholding tax credit notes utilised for tax payments	<b>(98,705)</b>	(68,218)	<b>(98,705)</b>	(68,218)
Exchange movements	-	-	-	-
<b>At 31 December</b>	<b>653,940</b>	441,332	<b>265,242</b>	138,810

### Factors affecting the tax charge in future years

Factors that may affect the Group's future tax charge include the impact of corporate restructurings, the resolution of open issues, future planning opportunities, corporate acquisitions and disposals, the use of brought forward tax losses and changes in tax legislation and tax rates.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>12 Basic (Loss) earning per share (Loss)/Profit after taxation</b>	<b>669,188</b>	(540,555)	<b>251,917</b>	147,971
<b>Number of shares</b>				
Weighted average number of shares for basic earning per share	<b>2,392,622</b>	2,392,622	<b>2,392,622</b>	2,392,622
Weighted average number of shares for diluted earnings per share	<b>2,392,622</b>	2,392,622	<b>2,392,622</b>	2,392,622
<b>(Loss)/Profit per share (kobo)</b>				
- Basic	<b>27.97</b>	(22.59)	<b>10.53</b>	6.18
- Diluted	<b>27.97</b>	(22.59)	<b>10.53</b>	6.18

(Loss)/Profit per shares have been computed based on loss after tax and number of issued and fully paid ordinary shares of N0.50 each.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>13 Operating profit</b>				
<b>Operating profit has been arrived at after charging/(crediting):</b>				
Depreciation of property, plant and equipment	<b>769,731</b>	664,699	<b>592,350</b>	462,674
Amortization of intangible assets	<b>21,201</b>	11,782	<b>19,858</b>	11,631
Impairment (write back)/losses	<b>(5,039)</b>	55,132	<b>28,401</b>	63,625
Staff costs	<b>1,463,794</b>	1,076,352	<b>659,992</b>	465,599
Gain on disposal of property, plant and equipment	<b>(44,967)</b>	(146,156)	<b>(44,967)</b>	(146,156)
Audit fees	<b>13,960</b>	10,199	<b>6,100</b>	5,106

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**14. Property, plant and equipment**

The Group	Freehold Land N'000	Buildings N'000	Motor vehicle N'000	Equipment furniture and fittings N'000	Computer equipment N'000	Work-in progress N'000	Total N'000
<b>Cost:</b>							
At 1 January 2023	299,528	1,375,626	6,681,743	553,094	98,634	790,215	9,798,840
Additions	-	2,806	1,036,259	35,495	6,630	42,327	1,123,517
Transfers	-	-	-	-	-	(1,378)	(1,378)
Disposals	-	-	(912,126)	-	-	-	(912,126)
*Adjustment	-	-	31,859	(3,391)	-	-	28,468
<b>At 31 December 2023</b>	<b>299,528</b>	<b>1,378,432</b>	<b>6,837,735</b>	<b>585,198</b>	<b>105,264</b>	<b>831,164</b>	<b>10,037,321</b>
<b>At 1 January 2024</b>	<b>299,528</b>	<b>1,378,432</b>	<b>6,837,735</b>	<b>585,198</b>	<b>105,264</b>	<b>831,164</b>	<b>10,037,321</b>
Additions	7,930	21,520	4,293,588	82,749	14,438	135,053	4,555,278
Transfers	-	-	-	20,044	-	(20,044)	-
Disposals	-	-	(80,750)	(3,586)	-	-	(84,336)
<b>At 31 December 2024</b>	<b>307,458</b>	<b>1,399,952</b>	<b>11,050,573</b>	<b>684,405</b>	<b>119,702</b>	<b>946,173</b>	<b>14,508,263</b>
<b>Accumulated depreciation</b>							
At 1 January 2023	-	899,758	4,400,288	445,939	74,777	-	5,820,761
Charge for the year	-	54,545	564,115	38,458	7,581	-	664,699
Disposal	-	-	(899,783)	-	-	-	(899,783)
Adjustment	-	-	-	(283)	-	-	(283)
<b>At 31 December 2023</b>	<b>-</b>	<b>954,303</b>	<b>4,064,620</b>	<b>484,114</b>	<b>82,358</b>	<b>-</b>	<b>5,585,395</b>
<b>At 1 January 2024</b>	<b>-</b>	<b>954,303</b>	<b>4,064,620</b>	<b>484,114</b>	<b>82,358</b>	<b>-</b>	<b>5,585,395</b>
Charge for the year	-	53,513	659,379	47,670	9,169	-	769,731
Disposal	-	-	(93,835)	(3,586)	-	-	(97,422)
<b>At 31 December 2024</b>	<b>-</b>	<b>1,007,816</b>	<b>4,630,164</b>	<b>528,197</b>	<b>91,527</b>	<b>-</b>	<b>6,257,704</b>
<b>Carrying amount:</b>							
31 December 2023	299,528	424,129	2,773,115	101,085	22,906	831,164	4,451,927
<b>31 December 2024</b>	<b>307,458</b>	<b>392,136</b>	<b>6,420,409</b>	<b>156,208</b>	<b>28,175</b>	<b>946,173</b>	<b>8,250,559</b>

i). A summary of property, plant and equipment pledged as collateral for borrowings as at 31 December 2024 indicated in Note 27 is presented below:

	Cost N'000	NBV N'000
Buildings	599,784	178,278
	<b>599,784</b>	<b>178,278</b>

(a) Included in the depreciation charged for the year was N53.88m (December 2023 :N61.356m) in the administrative expenses and a charge of N715.849m (December 2023: N603.342m) to direct costs in the statement of profit or loss and other comprehensive income for the Group representing depreciation for the Coaches, Sprinter & Shuttle Buses and Cargo & Haulage Trucks, used for Passengers and Parcels transportation and goods and other logistics services.

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14 Property, plant and equipment

	<b>The Company</b>						
	Freehold Land	Buildings	Motor vehicle	Equipment furniture and fittings	Computer equipment	Capital Work-in-progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Cost:</b>							
At 1 January 2023	179,528	1,375,626	6,480,539	444,838	98,634	685	8,579,851
Additions	-	2,806	1,020,770	32,514	5,880	693	1,062,663
Transfers	-	-	-	-	-	(1,378)	(1,378)
Disposals	-	-	(896,475)	-	-	-	(896,475)
At 31 December 2023	179,528	1,378,432	6,604,834	477,352	104,514	-	8,744,661
<b>At 1 January 2024</b>	<b>179,528</b>	<b>1,378,432</b>	<b>6,604,834</b>	<b>477,352</b>	<b>104,514</b>	-	<b>8,744,661</b>
Additions	7,930	4,912	4,187,788	69,681	4,629	101,384	4,376,324
Transfers	-	-	-	-	-	-	-
Disposals	-	-	(80,750)	(3,586)	-	-	(84,336)
At 31 December 2024	187,458	1,383,344	10,711,872	543,448	109,143	101,384	13,036,648
<b>Accumulated depreciation</b>							
At 1 January 2023	-	899,758	4,246,593	382,357	74,777	-	5,603,484
Charge for the year	-	54,545	494,396	28,640	7,563	-	585,144
Elimination on disposals	-	-	(888,075)	-	-	-	(888,075)
Adjustment	-	-	-	(223)	-	-	(223)
At 31 December 2023	-	954,303	3,852,914	410,774	82,340	-	5,300,330
<b>At 1 January 2024</b>	<b>-</b>	<b>954,303</b>	<b>3,852,914</b>	<b>410,774</b>	<b>82,340</b>	<b>-</b>	<b>5,300,330</b>
Charge for the year	-	53,513	491,385	19,201	8,048	-	572,148
Adjustment/Transfers	-	-	128,245	10,259	-	-	138,504
Elimination on disposals	-	-	(80,401)	(3,586)	-	-	(83,987)
At 31 December 2024	-	1,007,816	4,392,143	436,648	90,388	-	5,926,995
<b>Net book value:</b>							
31 December 2023	179,528	424,130	2,751,920	66,579	22,174	-	3,444,331
<b>31 December 2024</b>	<b>187,458</b>	<b>375,528</b>	<b>6,319,729</b>	<b>106,800</b>	<b>18,755</b>	<b>101,384</b>	<b>7,109,653</b>

i). All property, plant and equipment pledged as collateral for borrowings as at 31 December 2024 indicated in Note 27 in the previous page all belonged to the parent company:

	Cost N'000	NBV N'000
Buildings	599,784	178,278
	<b>599,785</b>	<b>178,278</b>

(a) Included in the depreciation charged for the year was N30.355m (December 2023: N32.8 million) in the administrative expenses and a charge of N403.288M million (December 2023 :N552.75 million) to direct costs in the statement of profit or loss and other comprehensive income for the Company representing depreciation for the Coaches, Sprinter & Shuttle Buses and Cargo & Haulage Trucks, used for Passengers and Parcels transportation and goods and other logistics services.

(b) Capital work-in-progress represents on-going building construction works.

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		Office Building	
		<b>Group</b>	<b>Company</b>
		N'000	N'000
15	<b>Right-of-Use Asset</b>		
	<b>Cost</b>		
	At 1 January 2024	89,288	-
	Transfer from property, plant and equipment	-	-
	<b>At 31 December 2024</b>	<b>89,288</b>	<b>-</b>
	<b>Accumulated depreciation</b>		
	At 1 January 2024	(62,731)	-
	Charge for the year	(10,661)	-
	Transfer from property, plant and equipment	-	-
	<b>At 31 December 2024</b>	<b>(73,392)</b>	<b>-</b>
	<b>Carrying amount:</b>		
	At 31 December 2024	15,896	-
	At 31 December 2023	26,557	-

The right of use (Land) relates to a ten year lease contract for land on which factory premises of Transit Support Services Ltd is built. Up to 2018 the lease was reported as prepayment under other assets in the financial statements, while the yearly amortizations were treated as rent expenses in the profit or loss account. With the adoption of IFRS 16, this asset has been reclassified to PPE. The right of use incidental to short term leases are reported under note 21 to the financial statements.

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## ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

### 15.a Goodwill

There was no goodwill arising from business combinations on acquisition of the subsidiaries. This was due to the fact that the subsidiaries were acquired on start-up i.e. there were no retained earnings pre-acquisition. The purchase consideration paid by ABC Transport Plc in ABC Transport Ghana Limited and Transit Support Services Limited formed the net assets of the subsidiaries therefore they were equal and no goodwill earned.

	Group		
	Computer software N'000	Others N'000	Total N'000
<b>16 Intangible assets</b>			
<b>Cost:</b>			
At 1 January 2023	76,964	30,499	107,463
Additions	3,540	3,000	6,540
At 31 December 2023	80,504	33,499	114,003
<b>At 1 January 2024</b>	<b>80,504</b>	<b>33,499</b>	<b>114,003</b>
Additions	<b>18,164</b>	<b>380</b>	<b>18,544</b>
<b>At 31 December 2024</b>	<b>98,668</b>	<b>33,879</b>	<b>132,547</b>
<b>Accumulated impairment losses and amortization:</b>			
At 1 January 2023	56,510	21,882	78,392
Amortization charge for the year	10,589	1,193	11,782
At 31 December 2023	67,099	23,075	90,175
<b>At 1 January 2024</b>	<b>67,099</b>	<b>23,075</b>	<b>90,175</b>
Amortization charge for the year	<b>18,283</b>	<b>2,918</b>	<b>21,201</b>
<b>At 31 December 2024</b>	<b>85,382</b>	<b>25,993</b>	<b>111,376</b>
<b>Carrying amount:</b>			
At 31 December 2023	20,454	8,617	23,829
<b>At 31 December 2024</b>	<b>13,286</b>	<b>7,886</b>	<b>21,172</b>

a. This relates to purchase of Computer softwares and other intangibles like Vehicle tracking software, speed limiters etc

b. Included in the amortisation charged for the year was N1.484 (2023: N965,000) in the administrative expenses and a charge of N19.717m (2023 : N10.817m) to direct costs in the statement of profit or loss and other comprehensive income.

c. There was no impairment of any intangible asset during the year.

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	Company		
	Computer software N'000	Others N'000	Total N'000
<b>'16. Intangible assets</b>			
<b>Cost:</b>			
At 1 January 2023	76,690	30,042	106,732
Additions	3,000	3,000	6,000
At 31 December 2023	79,690	33,042	112,732
<b>At 1 January 2024</b>	<b>79,690</b>	<b>33,042</b>	<b>112,732</b>
Additions	17,197	380	17,577
<b>At 31 December 2024</b>	<b>96,887</b>	<b>33,422</b>	<b>130,309</b>
<b>Accumulated impairment losses and amortization:</b>			
At 1 January 2023	56,280	21,825	78,105
Amortization charge for the year	10,474	1,157	11,631
At 31 December 2023	66,754	22,982	89,737
<b>At 1 January 2024</b>	<b>66,754</b>	<b>22,982</b>	<b>89,737</b>
Amortization charge for the year	17,753	2,106	19,858
<b>At 31 December 2024</b>	<b>84,507</b>	<b>25,088</b>	<b>109,595</b>
<b>Carrying amount:</b>			
At 31 December 2023	12,936	10,060	22,995
<b>At 31 December 2024</b>	<b>12,380</b>	<b>8,334</b>	<b>20,714</b>

a. This relates to purchase of Computer softwares and other intangibles like Vehicle tracking software, speed limiters etc

b. Included in the amortisation charged for the year was N1.39M (2022 : N797,650) in the administrative expenses and a charge of N18.468M (2023 : N10,596,352) to direct costs in the statement of profit or loss and other comprehensive income.

c. There was no impairment of any intangible asset during the year.

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**Computer software**

The useful life of computer software is determined by management at the time the software is acquired and brought into use and is regularly reviewed for appropriateness. This usually represents management's view of expected period over which the Group will receive benefits from the software but not exceeding the licence term. Computer software are amortised on a straight-line basis over a period of 3 - 5 years which usually do not exceed the term of the software licences. This is applicable to both software licences purchased off-the-shelf and software uniquely developed for the Group by software vendors.

**Impairment of intangibles**

Impairment will arise where there are indications that the Group will not obtain future economic benefits commensurate with the carrying amounts of the software licence. This could occur in instances of software sub-optimality or due to technological and business process advancements or outright cut-over to another software. Significant use of judgement will be required where there are indications of impairment to software licences to either write-down/write off the carrying amounts or/and reduce the useful lives. Impairment in the current year amounts to Nil (2023 : Nil).

Amortization is charged on intangible assets at cost less residual value over the estimated useful lives using the straight line method as follows:

Asset class	Estimated useful life
Franchise	5 - 10 years
Vehicle tracking software	3 - 5 years
Ticketing systems	5 years
ERP software	5 - 7 years
On-board montage	5 - 7 years
Website	5 - 7 years
Anti-virus software	3 - 5 years

	Number of shares held (Units) In thousand	% voting power	Group		Company	
			2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>'17 Investment in subsidiaries</b>						
ABC Ghana Limited (Note i)	600,000	99%	-	-	<b>6,470</b>	6,470
ABC Cargo Express	100,000,000	99%	-	-	<b>100,000</b>	100,000
Transit Support Services Limited (Note ii)	100	50%	-	-	<b>35,000</b>	35,000
			-	-	<b>141,470</b>	141,470

**i) ABC Ghana Limited:** A Company incorporated in Ghana on the 3rd May, 2007. It commenced road passenger transportation services within Ghana and the West Coast between Lagos, Nigeria and Accra, Ghana. The company also offer passenger and cargo handling services to ABC Transport Plc.

**ii) Transit Support Services Limited (TSS Limited):** A Company incorporated in Nigeria in 2007 and engaged in the importation and sales of motor vehicles, motor vehicle spares and installation of motor vehicle speed governing devices.

**iii) ABC Cargo Express Limited (ABC Logistics):** A Company incorporated in Nigeria in 2020 (commenced operations in 2023) engaged in cargo and courier logistics within Nigeria and West African coast.

## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

#### '17.1 Subsidiary with significant non-controlling interests

##### a. Name of Subsidiary: Transit Support Services Limited

ABC Transport Plc owns a 50% equity stake in Transit Support Services Limited a company incorporated in Nigeria in 2007 and engaged in the importation and sales of motor vehicles, motor vehicle spares and installation of motor vehicle speed governing devices. A summary of the results and financial position of Transit Support Services Limited together with relevant disclosures relating to non-controlling interests is provided below in accordance with the requirements of IFRS 12:

Summary of results:	Group	Subsidiary	Group	Subsidiary
	2024 N'000	2024 N'000	2023 N'000	2023 N'000
<b>Summary of financial position:</b>				
Current assets	3,283,082	1,302,372	2,443,696	1,251,277
Non-current assets	-	1,371,726	-	1,006,251
Current liabilities	(9,786,349)	(2,501,359)	(4,622,277)	(2,187,290)
Non-current liabilities	(948,387)	(112,979)	(1,757,925)	(209,258)
<b>Equity attributable to owners of the company</b>	<b>1,040,071</b>	<b>86,370</b>	<b>247,175</b>	<b>(69,510)</b>
Non-controlling interests	229,058	86,370	92,832	(69,510)
<b>Summary of statement of profit or loss and other comprehensive income:</b>				
Revenue from contracts with customer	12,515,137	2,685,211	7,331,982	1,476,147
Other operating incomes	762,070	285,685	155,889	(179,252)
Expenses	(12,608,019)	(2,826,361)	(8,028,425)	(2,033,139)
<b>(Loss)/profit or loss for the year</b>	<b>669,188</b>	<b>144,535</b>	<b>(540,555)</b>	<b>(736,244)</b>
(Loss)/profit attributable to owners of the company	532,807	125,322	(175,327)	(368,122)
Profit/(loss) attributable to the non-controlling interests	136,381	125,322	(365,228)	(368,122)
<b>(Loss)/profit for the year</b>	<b>669,188</b>	<b>250,644</b>	<b>(540,555)</b>	<b>-736,243</b>
Other comprehensive income/(loss) attributable to owners of the company	(15,506)	-	(64,379)	-
Other comprehensive loss to the non-controlling interest	(155)	-	(644)	-
<b>Other comprehensive income for the year</b>	<b>(15,661)</b>	<b>-</b>	<b>(65,023)</b>	<b>-</b>
Total comprehensive income attributable to owners of the company	517,456	125,322	(239,062)	(368,122)
Total comprehensive income to the non-controlling interest	136,226	125,322	(365,871)	(368,122)
<b>Total comprehensive (loss)/income for the year</b>	<b>653,682</b>	<b>250,644</b>	<b>(604,934)</b>	<b>(736,243)</b>
Dividends paid to non	-	-	-	-
<b>Summary of cash flows:</b>				
Net cash in flow from operating activities	5,691,340	-	1,143,146	410,853
Net cash out flow from investing activities	(4,472,587)	(36,276)	(933,995)	(36,276)
Net cash out flow from financing activities	(1,101,502)	(410,391)	(82,519)	(208,781)
<b>Net cash inflow/(outflow)</b>	<b>117,251</b>	<b>(446,667)</b>	<b>126,632</b>	<b>165,796</b>

#### '17.2 Change in the Group's ownership interest in a subsidiary

There is no changes in the Group's ownership interest in the subsidiaries during the year.

#### '17.3 Significant restrictions

There are no significant restrictions on the company's or subsidiary's ability to access or use the assets and settle the liabilities of the Group.

#### '17.4 Financial support

The Group has not given any financial support to a consolidated structured entity.

# ABC TRANSPORT PLC

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	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>18 Investment securities:</b>				
<b>18.1 Financial assets - FVOCI</b>				
<b>Unlisted securities:</b>	<b>1,845</b>	<b>1,845</b>	<b>1,845</b>	<b>1,845</b>
Equities (Note 18.1a)				
<b>18.1a Unlisted equity securities movement:</b>				
At 1 January	1,845	1,845	1,845	1,845
Fair value gain (Note 25)	-	-	-	-
<b>At 31 December</b>	<b>1,845</b>	<b>1,845</b>	<b>1,845</b>	<b>1,845</b>

Financial assets- FVOCI equities is analysed as follows:

	No. of shares Thousand	Cost per unit N	Total Cost N'000
<b>18.1b ABC Express Courier (ABEX) Limited</b>	<b>1,845</b>	<b>1</b>	<b>1,845</b>
Current		-	-
Non Current		1,845	1,845
		<b>1,845</b>	<b>1,845</b>

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>18.2 Financial assets - FVTPL</b>				
At 1 January	15,779	17,574	15,779	17,574
Additions in the year	-	-	-	-
Withdrawal	-	(3,500)	-	(3,500)
Fair value gain (Note 7.4)	3,096	1,706	3,096	1,706
<b>At 31 December</b>	<b>18,876</b>	<b>15,779</b>	<b>18,876</b>	<b>15,779</b>

The entire amount reported for the group was invested by the parent company.

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	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>19 Inventories</b>				
Motor vehicle & MV spares	1,000,011	940,581	243,710	210,199
Fuel and diesel	30,221	39,239	30,221	39,239
Stationeries and printed materials	9,129	8,975	9,129	8,975
Oil and lubricants	18,053	14,875	18,053	14,875
Uniform and promotional materials	773	1,242	773	1,242
Sanitation materials	172	242	172	242
City Transit Inn (CTI)	2,355	2,327	2,355	2,327
	<b>1,060,714</b>	<b>1,007,481</b>	<b>304,413</b>	<b>277,099</b>

(a). Inventories value of N1.06 million (2023 : N1.07 million) were carried at net realisable value. The amount charged to statement of profit or loss and other comprehensive income in respect of written down value of inventories to net realizable value is N11.23 million (2023 : N11.23 million ). There are no inventories pledged as securities for liabilities. CTI inventory include food items, food and beverage consumables, house-keeping items, etc while TSSL inventory are tyres, oil filters, air filters, fuel filters, flat beds and auto control products held for sale. The Group expects to consume all inventory existing at the reporting date within twelve months thereafter.

(b). Inventory consumed by the Group within the period included in direct cost amounted to N3.392 billion (2023 : N2.399 billion).

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>20 Trade and other receivables</b>				
<b>Included within current assets:</b>				
Trade receivables	697,654	350,913	446,711	174,333
Allowance for trade receivables (Note 20.2)	(64,589)	(65,493)	(28,724)	(38,537)
	<b>633,065</b>	<b>285,421</b>	<b>417,987</b>	<b>135,796</b>
Amounts owed by staff (Note 20.3)	121,923	112,590	79,399	61,771
Amounts due from related parties (Note 20.5)	-	-	168,312	179,943
	<b>754,988</b>	<b>398,011</b>	<b>665,698</b>	<b>377,510</b>

### '20.1 Trade receivables

i. Allowance is made for all receivables ranging from age zero to 365 days and above. The Group has recognised 100% allowance for debts over 365 days because historical experience has shown that debts in this category are usually irrecoverable. Allowances are also made for debts between 61 days and 365 days based on percentages that reflect the best estimate of collection with reference to entity's historical experience and an analysis of the debtor's financial position.

ii. Included in the amount due (to)/from related parties is an amount of N1.6 million (2023:N1.6 million) owed by ABEX express parcel service. ABC Transport Plc has a 5% equity stake in Abex Ltd. The amounts owed by Abex Ltd. has been fully impaired.

iii. There is barter arrangement with the Federal Radio Corporation of Nigeria (FRCN), Guardian Newspapers and Daily Trust Newspapers. The amounts charged against these barter customers are technically not receivable from the customer but can be used at anytime by the Group for advert placement.

iv. All trade receivables are included within current assets and are stated after making allowance for bad and doubtful balances and analysed below:

Allowances are made for all Group debts.

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	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>'20.2 Movement in the allowance for doubtful debt-trade receivables</b>				
At 1 January	65,363	42,020	38,537	33,017
Impairment losses recognised on receivable	(350)	23,343	(9,812)	5,519
Impairment write back on receivable	-	-	-	-
Amounts written off as bad debt during the year	-	-	-	-
<b>At 31 December</b>	<b>65,013</b>	<b>65,363</b>	<b>28,724</b>	<b>38,537</b>

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

#### '20.3 Staff receivables

The entity also has receivables from staff who owe the group. Staff debts are either in form of loans or unretired IOUs charged directly to the staff's account.

The staff debts for the group are 100% attributable to the parent company

Gross amount owed by staff	278,915	288,374	232,528	237,554
Allowances for staff debts (Note 20.4)	(156,992)	(175,783)	(153,129)	(175,783)
Staff receivables (net)	121,923	112,590	79,399	61,771

The Group makes specific allowances for staff receivables based on parameters such as the employment status of the staff concerned (whether dormant or disengaged) and/or if the debt is an unretired IOU. 100% allowances are made for unretired IOUs immediately they become due (usually 7 days).

Interests are not charged on overdue debts that arise as a result of IOUs.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>'20.4 Movement in the allowance for doubtful debt-staff receivables</b>				
At 1 January	175,783	140,514	175,783	140,514
Impairment losses recognised on staff receivable	(22,655)	35,269	(22,655)	35,269
<b>At 31 December</b>	<b>153,129</b>	<b>175,783</b>	<b>153,129</b>	<b>175,783</b>

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#### '20.5 Receivables from related parties

The Group has receivables/payables from related parties. The bulk of these amounts do not arise from trade activities but usually from shared costs and other reimbursable.

The aggregate value of transactions and outstanding balances relating to these entities were as follows:

Related Parties	Nature of Transactions	Relationship	Group		Company	
			2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Due from related parties</b>						
Due from Abex Express	Sales	Investee Company	1,651	1,651	1,651	1,651
Due from ABC Ghana	Advance	Subsidiary	-	-	304,536	291,284
Due from Transit Support services			-	-	35,985	-
			<u>1,651</u>	<u>1,651</u>	<u>342,172</u>	<u>292,934</u>
Impairment on intercompany receivables			<u>(1,651)</u>	<u>(1,651)</u>	<u>(173,860)</u>	<u>(112,991)</u>
			<u>-</u>	<u>-</u>	<u>168,312</u>	<u>179,943</u>
<b>Due to related parties</b>						
Due to Mayfair Suite	Advance	Related party to core investor	-	(1,610)	-	(1,610)
Due to Rapido Ventures	Advance	Related party to core investor	13,680	(5,444)	(5,887)	(10,372)
Due from ABC Cargo	Advance	Subsidiary			(245,228)	(62,807)
Amounts due to related parties (Note 20.5)			<u>13,680</u>	<u>(7,054)</u>	<u>(251,115)</u>	<u>(83,676)</u>
<b>Net Due to related companies</b>			<u>13,680</u>	<u>(7,054)</u>	<u>(82,803)</u>	<u>96,267</u>

i. The amounts outstanding are unsecured and will be settled in cash.

ii. Intra-group receivables/payables have been eliminated on consolidation.

iii. Mr Francis Nneji, the immediate past MD of the company is the largest shareholder in both Rapido Ventures Ltd and ABC Transport Plc and is equally the Chairman of Rapido Ventures Ltd.

iv. All transactions with these related parties were priced at arm's length

#### v. ALLOWANCES ON RELATED PARTY RECEIVABLES

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Closing balance-ABEX LTD	1,651	1,651	1,651	1,651
Impairment recognised-ABC Ghana Ltd	-	-	172,209	111,340
	<u>1,651</u>	<u>1,651</u>	<u>173,860</u>	<u>112,991</u>

Total impairment in related party receivables stood at N173.86m as at 31 December 2024, N1.65m relates to balance from ABEX Ltd arising in the ordinary course of business. 100% allowance was made as the debt has been outstanding for over 365 days. N172.2m relates to inter-company balance due from ABC Ghana Ltd. Operations of the subsidiary was halted due to cessation of operations along the West Coast of Africa due to the COVID-19 pandemic which impaired its ability to pay the outstanding debt. The whole operation returned to the corridor in 2022. Activity is at present considerably lower than the pre-covid levels

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	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>'21. Other assets</b>				
Prepaid rent-Right of Use	110,655	83,593	21,257	15,215
Prepaid insurance	80,978	43,946	73,982	43,147
Withholding taxes recoverable	406,064	502,296	388,267	312,757
Deposits for vehicle and spares	440,079	192,806	-	-
*Others-deferred expense	102,161	2,883	13,920	-
	<u>1,139,937</u>	<u>825,524</u>	<u>497,427</u>	<u>371,119</u>
Impairment allowance (Note 21.1)	(1,147)	(8,493)	-	-
	<u>1,138,790</u>	<u>817,031</u>	<u>497,427</u>	<u>371,119</u>

\*

The Prepaid rent-right of use relates to prepaid rent on a short term basis(usually 12 months) of property for operations and crew guest houses. Initial direct costs are added to the prepayments and amortised on a straight line basis.

	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>'21.1 Movement in the impairment charge:</b>				
At 1 January	21,767	21,767	21,767	21,767
Impairment (written back)/ charged in the year	-	-	-	-
<b>At 31 December</b>	<u>21,767</u>	<u>21,767</u>	<u>21,767</u>	<u>21,767</u>

Impairment on other assets relates to 10% allowance on Withholding tax recoverable and other assets.

## 22 Cash and cash equivalents

For the purposes of the consolidated statements of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statements of cash flows can be reconciled to the related items in the consolidated statements of financial position.

### Cash and bank balances as presented in the statement of financial position

	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Cash in hand	40,666	27,894	14,768	12,987
Cash at bank	278,115	187,874	97,170	49,393
Gross cash and bank balances	<u>318,781</u>	<u>215,768</u>	<u>111,938</u>	<u>62,380</u>
<b>Cash and cash equivalents as per statement of financial position</b>	<b>318,781</b>	<b>215,768</b>	<b>111,938</b>	<b>62,380</b>
<b>'22.1 Bank overdrafts</b>	<u>-</u>	<u>(14,237)</u>	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents as per statement of cash flows</b>	<u>318,781</u>	<u>201,531</u>	<u>111,938</u>	<u>62,380</u>

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	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>23 Share capital</b>				
<b>23.1 Issued and fully paid:</b>				
At 31 December 2,392,622,000 ordinary shares of 50k each	<b>1,196,311</b>	1,196,311	<b>1,196,311</b>	<b>1,196,311</b>
<b>'23.1a Issued share capital comprises of:</b>				
420,000,000 ordinary shares at 50k each (December 2005)	<b>210,000</b>	210,000	210,000	210,000
420,000,000 ordinary shares at 50k each (April 2006)	<b>210,000</b>	210,000	210,000	210,000
666,700,000 ordinary shares at 50k each (September 2006)	<b>333,500</b>	333,500	333,500	333,500
150,700,000 ordinary shares at 50k each (September 2015)	<b>75,350</b>	75,350	75,350	75,350
7,349,220 Right issue shares at 50k each (May 2022)	<b>367,461</b>	367,461	<b>367,461</b>	367,461
<b>At 31 December</b>	<b>1,196,311</b>	1,196,311	<b>1,196,311</b>	1,196,311
<b>'23.2 Share premium computation</b>				
420,000,000 ordinary share premium at 50k each (December 2005)	<b>210,000</b>	210,000	210,000	210,000
420,000,000 ordinary share premium at 50k each (April 2006)	<b>210,000</b>	210,000	210,000	210,000
666,700,000 ordinary share premium at 50k each (September 2006)	<b>333,500</b>	333,500	333,500	333,500
	<b>753,500</b>	753,500	<b>753,500</b>	753,500
Total direct expenses on the issue of shares	<b>(318,893)</b>	(318,893)	<b>(318,893)</b>	(318,893)
<b>At 31 December</b>	<b>434,607</b>	<b>434,607</b>	<b>434,607</b>	<b>434,607</b>
<b>24 Accumulated losses</b>				
At 1 January	<b>(1,045,817)</b>	(834,601)	<b>(659,209)</b>	(771,290)
Transferred from Profit /(loss) for the year	<b>532,807</b>	(175,327)	<b>251,917</b>	147,971
Dividend paid	-	(35,889)	-	(35,889)
<b>At 31 December</b>	<b>(513,010)</b>	<b>(1,045,817)</b>	<b>(407,291)</b>	<b>(659,209)</b>
<b>'24.1 Dividend</b>				

While the company and group recorded significant positive results for the year, the directors have not proposed dividend payment as the company is currently constrained by the negative retained earnings position for the group.

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	<b>Group</b>		<b>Company</b>	
	<b>2023</b> <b>N'000</b>	<b>2023</b> <b>N'000</b>	<b>2023</b> <b>N'000</b>	<b>2023</b> <b>N'000</b>
<b>25 Other comprehensive income reserves</b>				
At 1 January	<u>(62,331)</u>	2,048	<u>18,188</u>	18,188
Exchange differences on translating foreign operations (Note 25.1)	<u>(15,506)</u>	<u>(64,379)</u>	<u>-</u>	<u>-</u>
<b>At 31 December</b>	<b><u>(77,837)</u></b>	<b><u>(62,331)</u></b>	<b><u>18,188</u></b>	<b><u>18,188</u></b>

'25.1 The exchange differences arose from the translation of the results and net assets of the Group's foreign operations from the functional currency to the group's presentation currency (i.e translating ABC Ghana's results from cedis to naira). These are recognised directly in other comprehensive income and accumulated in the foreign exchange reserve.

	<b>Group</b>	
	<b>2024</b> <b>N'000</b>	<b>2023</b> <b>N'000</b>
<b>26 Non-controlling interests</b>		
At 1 January	<u>92,832</u>	458,703
Share of (loss)/ profit for the year	<u>136,381</u>	<u>(365,228)</u>
<b>Other comprehensive income reserve:</b>		
Exchange differences on translating foreign operations	<u>(155)</u>	<u>(644)</u>
<b>At 31 December</b>	<b><u>229,058</u></b>	<b><u>92,832</u></b>

'26.1 These are the net assets of the non-controlling interests in the group.

	<b>Group</b>		<b>Company</b>	
	<b>2024</b> <b>N'000</b>	<b>2023</b> <b>N'000</b>	<b>2024</b> <b>N'000</b>	<b>2023</b> <b>N'000</b>
<b>'27. Loans and borrowings</b>				
<b>a. Secured amounts:</b>				
Bank overdrafts (Note 22.1)	<u>-</u>	<u>14,237</u>	<u>-</u>	<u>-</u>
Term loans (Note 27.1)	<u>1,845,129</u>	<u>2,466,417</u>	<u>1,761,774</u>	<u>2,170,526</u>
<b>Total borrowed fund</b>	<b><u>1,845,129</u></b>	<b><u>2,480,654</u></b>	<b><u>1,761,774</u></b>	<b><u>2,170,526</u></b>
<b>b. Analysis by maturity:</b>				
Current - due within 1 year	<u>1,069,285</u>	<u>814,059</u>	<u>985,930</u>	<u>683,564</u>
Non-current - due after 1 year	<u>775,844</u>	<u>1,666,595</u>	<u>775,844</u>	<u>1,486,962</u>
	<b><u>1,845,129</u></b>	<b><u>2,480,654</u></b>	<b><u>1,761,774</u></b>	<b><u>2,170,526</u></b>

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	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>'27.1 Movement in borrowings other than overdraft</b>				
At 1 January	2,480,654	2,118,471	2,170,526	1,660,580
Additional loans and borrowings	526,548	1,310,155	308,000	888,552
Repayments of loans and borrowings	(1,162,073)	(947,973)	(716,752)	(378,607)
<b>At 31 December</b>	<b>1,845,129</b>	<b>2,480,654</b>	<b>1,761,774</b>	<b>2,170,526</b>

#### '27.2 Summary of borrowing arrangements

(i) In March 2022, ABC Transport Plc contracted a 5-year 16.5% Senior Secured bond due 2027. The bond is secured by a legal mortgage over the company's property at Plot 7, Cadastral Zone 5, Abuja.

(ii) ABC Transport Plc acquired 30 haulage trucks in 2022 from Lafarge Africa Plc, under Lafarge's truck financing scheme. Repayment is by 36 monthly deductions in equal installments from the freight payable to the company (trucks are dedicated to the financier's cement manufacturing business at Mfamosing, Cross River State). Another 20 trucks were acquired in November 2023 under the same arrangement but with a tenor of 48 months.

(iii) In October 2024, ABC Transport Plc acquired a facility of N308m from Access Bank with a tenor of 12 months and interest at 32% per annum. This was to facilitate the deployment of the 30 trucks acquired in October 2024 under the Lafarge Truck Financing Scheme. Securities pledged for the facility are legal mortgage over properties belonging to the company located at C79 Oba Kayode Akinyemi Way, Amuwo-Odofin Industrial Layout, Lagos and Elioju Junction, East-West Road by Elioju Flyover, Port-Harcourt, Rivers State, as well as the personal guarantee of the Founder/Director, Mr Francis Nneji, supported by a notarized statement of net worth.

(iv) Transit Support Services Limited has a loan facility of N310 million from Bank of Industry (BOI) with a tenor of 50 months with 9 months moratorium on principal repayment. The purpose of the facility was for the procurement of plant and machinery for assembly and sales of heavy duty trucks and buses. Securities pledged for the facility are Third party mortgage over ABC Transport Plc's Terminal located in Port Harcourt, Rivers State. Third Party Legal Mortgage over property located at km 5 MCC/Uratta Owerri, Imo State, Legal Mortgage over bus terminal located at C79, Oba Kayode Akinyemi Way, Amuwo Odofin Industrial Layout Lagos State, Legal Mortgage over property situated at Plot 44/45 Rd 57, VGC Lagos, Personal guarantee of Mr Francis Nneji (Director) supported by sworn affidavit of personal networth and continuous comprehensive insurance over the underlying properties noting Access Bank Plc as the first loss payee. The lending interest rate is 10% (Subject to review) and a monitoring fee of 0.25% of the outstanding loan balance payable at the end of each quarter. As at 31 December, 2024, the facility balance was N83.55m (2023: N174.288m).

(v) Transit Support Services Limited has an overdraft facility of N200m with Fidelity Bank Plc with a tenor of 365 days (90 days clean-up cycle). It was taken to meet up with some working capital needs. Securities pledged for the facility are legal mortgage on property located at Plot 7, Zone 5 Utako District Abuja (a two -storey building used as bus terminal inclusive of newly developed 4-floors hotel within the property). Property at 52 Ikorodu Road, Jibowu Lagos, Legal ownership of assets/Yaxing Luxury buses, Corporate guarantee from ABC Transport Plc and Personal Guarantee of MD/CEO, Mr Francis Nneji supported with notarized statement of networth. The lending interest rate was reviewed upwards in August 2024 from 27% to 35%. The account was not over-drawn as at December 31, 2024.

(vi) Transit Support Services Limited also has a Revolving Time Loan of N300m (2023: N300m) with Access Bank with a tenor of 365 days (180 days clean up cycle). The purpose of the Facility was to augment working capital needs for the bulk purchase of steel plates, aluminium coils and other related raw materials for the fabrication of flatbed semitrailer buckets and payment of custom duties, clearing cost, etc. Securities pledged for the facility are Third party mortgage over ABC Transport Terminal located in Port Harcourt, Rivers State. Third Party Legal Mortgage over property located at Km 5 MCC/Uratta Owerri, Imo State, Legal Mortgage over bus terminal located at C79, Oba Kayode Akinyemi Way, Amuwo Odofin Industrial Layout Lagos State, Legal Mortgage over property situated at Plot 44/45 Rd 57, VGC Lagos, Personal guarantee of the Managing Director, Mr Francis Nneji supported by sworn affidavit of personal networth and continuous comprehensive insurance over the underlying properties noting Access Bank Plc as the first loss payee. The lending rate was 30%. At 31 December 2024, the facility amount was nil (2023: N121.6m).

#### '28. Post employment benefits

The Group operates a contributory pension scheme of 19% where both employer and employee contribute 11% and 8% each of the gross emolument. A gratuity scheme for staff that have been in the employment of the company for a minimum of five (5) years and a long service grant of two hundred thousand naira (N200,000) for drivers who have served the company up to ten (10) years was discontinued in April 2019.

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	<b>Group</b>		<b>Company</b>	
	<b>2024</b> <b>N'000</b>	<b>2023</b> <b>N'000</b>	<b>2024</b> <b>N'000</b>	<b>2023</b> <b>N'000</b>
<b>Statement of financial position</b>				
Defined contribution schemes (Note 28.2)	<b>367,058</b>	343,028	<b>365,338</b>	341,307
Defined benefit obligation schemes (Note 28.3)	-	129,871	<b>(0)</b>	129,700
<b>Total amount presented in the statement of financial position</b>	<b>367,058</b>	<b>472,899</b>	<b>365,338</b>	<b>471,008</b>
<b>'28.2 Movement in defined contribution scheme:</b>				
At 1 January	<b>343,027</b>	313,009	<b>341,307</b>	311,289
Deducted in the year	<b>82,840</b>	66,467	<b>82,840</b>	66,467
Remitted in the year	<b>(58,807)</b>	(36,448)	<b>(58,808)</b>	(36,449)
<b>At 31 December</b>	<b>367,059</b>	<b>343,028</b>	<b>365,338</b>	<b>341,307</b>
<b>28.3 Movement in benefit obligation scheme:</b>				
'At 1 January		145,698		145,527
Current service cost (Note 9)		-		-
Interest cost (Note 9)		-		-
Adjustments and write backs upon cessation		-		-
Remeasurement of defined benefit obligation (Note 25)		-		-
Benefits paid		(15,827)		(15,827)
<b>At 31 December</b>		<b>129,871</b>		<b>129,700</b>
<b>'29. Provisions</b>				
At 1 January	<b>63,635</b>	71,538	<b>63,635</b>	71,538
Additions for the year (Note 29.1)	-	-	-	-
Write back during the year	<b>77,938</b>	(7,903)	<b>77,938</b>	(7,903)
<b>At 31 December</b>	<b>141,573</b>	<b>63,635</b>	<b>141,573</b>	<b>63,635</b>
<b>Analysis by maturity:</b>				
Current liabilities	-	-	-	-
Non-current liabilities	<b>141,573</b>	63,635	<b>141,573</b>	63,635
	<b>141,573</b>	<b>63,635</b>	<b>141,573</b>	<b>63,635</b>

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'29.1. The provisions in the financial statements relate to judgement sums (N45.85 million) on cases decided by the courts against the company which have gone on appeal and penalties (N25.64 million) on unremitted statutory deductions. The Group is optimistic that the ultimate liabilities on these cases will be lesser than the amount provided.

i. The number of grants expected to crystallize under the customer loyalty programme is immaterial hence no provision has been made in connection thereto.

ii. There are no other constructive or legal obligations for which the entity is expected to make provisions as at 31 December 2024.

iii. All provisions reported by the group are attributable to the parent company.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>'30. Trade and other payables</b>				
Trade payables	1,448,724	1,245,421	147,710	126,058
Accruals	293,653	147,700	149,920	107,306
Amounts due to related parties (Note 20.5)	256,755	83,676	251,115	83,676
Industrial Training Fund Levy	11,836	14,612	10,307	13,450
Nigeria Social & Industrial Training Fund	9,547	8,873	9,291	8,811
Unclaimed dividends	46,102	46,102	46,102	46,102
Co-operative liabilities	15,433	18,940	15,433	18,940
Value added tax liabilities	297,858	655,613	169,866	352,118
Withholding tax liabilities	108,822	123,253	13,820	10,525
Pay-As-You-Earn liabilities	7,291	10,193	7,291	9,894
Staff welfare liabilities	157	95	157	95
*Other payables	5,007,049	409,607	4,229,258	54,107
*Other staff payables		-		
	<b>7,503,228</b>	<b>2,764,085</b>	<b>5,050,270</b>	<b>831,082</b>

\* Other payables includes bus franchise scheme , security deposit .present liabilities of defined benefit reclassified to staff payable upon cessation and cost of 30 units OF CNG trucks

	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
<b>'28.3 Movement in staff payable:</b>				
At 1 January	129,700		129,700	
payment during the year	(25,037)		(25,037)	
<b>At 31 December</b>	<b>104,663</b>		<b>104,663</b>	

**All the liabilities above are classified as current**

a.i) The average credit period for the purchases of major items is 30 days. However, with certain arrangement with major suppliers, payment terms can be renegotiated for longer periods.

a.ii) Trade and other payables are non-interest bearing and hence approximate their fair values. The Group does not have any derivative financial instrument.

b) Statutory liabilities such as VAT, WHT, PAYE, ITF, NSITF are expected to be settled in line with the relevant laws/regulations setting them up. With the exception of ITF which is payable yearly, the rest are payable monthly. The entity has defaulted in remitting VAT on a monthly basis and expects future liabilities arising from penalties from the tax authorities. Probable amounts of charges arising from unremitted statutory liabilities have been estimated and provision accordingly made (see Note 29).

c) Unclaimed dividend represents the total unclaimed dividend pool to several shareholders as at 31 December 2024. The amounts have been invested in line with the provisions of the Investment and Securities Act 2007.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>'31. Contract liabilities</b>				
Deferred income from cargo operations	86,744	47,949	-	-
Deferred income from leased warehouse	7,938	19,845	7,938	19,845
Deferred income from staff recoveries & Training income	97,947	89,592	97,947	89,592
Deferred fair value gain on borrowed fund	209	209	-	-
	<b>192,838</b>	<b>157,595</b>	<b>105,885</b>	<b>109,437</b>

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#### 31.1. Movement in deferred income from cargo operations is as follows

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
At 1 January	47,949	14,243	-	14,243
Recognition in Profit or Loss within the year	-	(14,243)	-	(14,243)
Addition	86,744	47,949	-	-
At 31 December	<u>134,693</u>	<u>47,949</u>	<u>-</u>	<u>-</u>

Deferred income from cargo relates to contract liabilities for cargo items either yet to be shipped or still in transit at 31 December 2024.

#### '32. Commitments

The Group had no commitments as at 31 December 2024 (31 December 2023: Nil).

#### '33. Provisions

Legal proceedings - The Group's solicitors reviewed all the outstanding cases at the end of each financial period and advised on the possibility or otherwise of each particular case resulting in a liability against the group after taking due cognisance of the peculiar circumstances of the case in question, the possibility of settling out of court on mutually agreed terms or by arbitration. The solicitors equally advised on the likely timing for the judgement or settlement and amount of the liability.

Appropriate provision has been made in these consolidated financial statements for likely liabilities arising from these cases. See Note 29 for details.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Salaries, fees and sitting allowances	69,447	58,554	66,714	58,554
Incentives (rent of MD's premises)	-	6,000	-	6,000
	<u>69,447</u>	<u>64,554</u>	<u>66,714</u>	<u>64,554</u>

#### '34. Related parties

##### '34.1 Directors and key management compensation

Directors

Aggregate emoluments of the directors of the company were as follows:

Salaries, fees and sitting allowances	69,447	58,554	66,714	58,554
Incentives (rent of MD's premises)	-	6,000	-	6,000
	<u>69,447</u>	<u>64,554</u>	<u>66,714</u>	<u>64,554</u>

##### Key management compensation

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

Short-term employee benefits	134,811	107,957	70,452	87,731
Post employment benefits				
Defined contribution schemes	3,294	3,354	2,400	3,354
	<u>111,311</u>	<u>111,311</u>	<u>91,085</u>	<u>91,085</u>

Executive management refers to the management staff from the level of Assistant General Manager and above.

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### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

#### '34.2 Related party transactions

The Group's related party transactions are with ABEX Courier Ltd , ABC Cargo Express , Rapido Ventures Ltd and Mayfair Suites and Conference Centre. At 31 December 2023, the total invoices to and from the related parties are analysed below:

	Abex N'000	ABC Cargo Express Limited N'000	Rapido N'000	Mayfair N'000	Total N'000
<b>2024</b>					
Group to the related parties	-	252,479	-	-	252,479
Related party invoices to the Group	-	7,409	-	7,204	14,613
<b>2023</b>					
Group to the related parties	-	148,593	-	-	148,593
Related party invoices to the Group	-	9,866	-	6,942	16,808

#### **Abex Express Parcel Services Limited**

ABC Transport Plc owns 5% of the share capital of Abex Express Parcel Services Limited. Included in trade receivables at 31 December 2024 is the sum of N1,650,757.73 (2023 : N1,650,757.73) due from Abex to ABC Transport Plc, which has been fully impaired. The Group provided no cargo services to ABEX Express Parcel Services for the year ended 31 December 2024 (2023 : Nil) while Abex Limited provided no courier services (2023 : Nil) to the Company. The services were provided at arm's length.

#### **Rapido Ventures Limited**

The founder of ABC Transport Plc, Mr Francis Nneji is the largest shareholder in both Rapido Ventures Limited and ABC Transport Plc and is equally the Chairman of Rapido Ventures Limited. ABC Transport Plc owed Rapido Ventures the sum of N5.87 million as at 31 December 2024 (2023: N10.37 million) which is reported as part of other payables. The nature of the major transactions between the group and Rapido are the reimbursable costs of operation which include the diesel issued to Rapido, sales of sausage rolls for onboard entertainment, shared cost of administrative and building costs, since they share the same premises. The group sometimes helps with cargo delivery on behalf of Rapido. Rapido invoices to the group mainly involves rent of premises to ABC Transport Plc and Transit Support Services Ltd. All transactions are carried out at arm's length.

#### **Mayfair Hotels and Suites**

The wife of ABC Transport Plc founder is the managing director of Mayfair Hotels and Suites, which offers hospitality services to ABC Transport Plc. ABC Transport Plc is indebted to Mayfair Hotels N1.19m as at 31 December 2024 (2023: N1.6m). Mayfair is the official hotelier for the group as they cater for the group's clients and guests. The standard room rate apply except in cases where, at the discretion of hotel management, discounts are given. The group, principally through the parent issues diesel to Mayfair Hotels at standard terms also.

#### **Transactions with directors other than compensation**

During the twelve months ended 31 December 2024 neither any director or any other executive officer nor any associate of any director or any other executive officer was indebted to the Company.

During the twelve months ended 31 December 2024, the Company has not been a party to any other material transaction, or proposed transactions in which any member of the key management personnel (including directors, any other executive officer, senior manager, any spouse or relative of any of the foregoing or any relative of such spouse) had or was to have a direct or indirect material interest.

# ABC TRANSPORT PLC

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	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>'35. Employees</b>				
The average employee headcount by nature of activity and by segment is shown below:				
<b>By Activity:</b>				
Operations	780	756	347	304
Accounts	43	47	33	45
Audit	20	20	18	20
Customer service and marketing	10	7	5	4
Materials management	27	27	24	24
Fleet maintenance	104	140	71	128
Hospitality	31	29	31	29
Legal	3	3	3	3
Human resources/administration	79	62	75	62
Cost control and planning	2	2	2	2
General management	18	14	11	12
	<b>1,117</b>	<b>1,107</b>	<b>620</b>	<b>633</b>
<b>By Segment:</b>				
<b>a) Business segment</b>				
Coach	23	22	23	22
Sprinter	25	56	25	56
Shuttle	35	38	35	38
Trading-Transit Support Services Ltd	22	24	-	-
Cargo	472	478	-	-
Haulage	129	57	129	57
CTI	31	29	31	29
Others	380	403	377	460
	<b>1,117</b>	<b>1,107</b>	<b>620</b>	<b>662</b>
<b>b) Geographical segment</b>				
Nigeria	1,114	1,106	620	662
Ghana	3	1	-	-
	<b>1,117</b>	<b>1,107</b>	<b>620</b>	<b>662</b>
<b>The total cost incurred in respect of these employees (including directors)</b>				
Wages and salaries and allowances etc	1,435,035	1,054,012	642,996	450,346
Medical expenses	28,759	22,340	16,997	15,253
	<b>1,463,794</b>	<b>1,076,352</b>	<b>659,992</b>	<b>465,599</b>

## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

#### 36 Financial instruments risk management

The exposure on staff loans is equally managed by profiling staff for purposes of granting loans and advances. Gross allowance on doubtful staff debts was N226.55 million as at 31 December 2024 (2023 : N167.57 million).

The Group's exposure to risks arising from financial instruments as at 31 December 2024 are as presented below:

	Group and Company	
	2024	2024
	N'000	N'000
Cash and cash equivalents	318,781	111,938
Trade and other receivables	819,577	665,698
<b>Total</b>	<b>1,138,358</b>	<b>777,636</b>

#### Credit risk management

The Group has a high credit risk exposure on trade receivables. Credit exposures arise from the haulage and consolidated cargo business as proceeds from passenger business are received in advance. The haulage business services big manufacturing concerns with billings done at intervals (usually a period of one month) and payments after another interval depending on the contractual terms. While a major part of the cargo revenue is received on cash basis, about 15%-20% credit is granted to institutional customers with a credit period of about one month. Billings for haulage are done in two cycles on a monthly basis. For the trading (Transit Support Services Ltd) customers are required to make deposits with the balance payment made on delivery of the motor vehicles and/or spares. In some instances, however, credits are extended to customers based on the specific circumstances of each transaction with consideration to risk. Though there is a subsidiary that operates in Ghana, the bulk of the credit risk is concentrated in Nigeria within the Haulage and cargo business segments as mentioned above.

Gross allowance on doubtful trade receivables was N42.66 million as at 31 December 2024 (2023 : N42.66 million).

The Group manages the credit risk from trade receivables through adequate profiling of customers, granting credit to only blue-chip companies in the haulage business. Credit limits are equally placed on cargo debtors according to their established credit profiles. The treasury units monitor credit with follow-up for collection upon maturity.

The exposure on staff loans is equally managed by profiling staff for purposes of granting loans and advances. Gross allowance on doubtful staff debts was N167.57 million as at 31 December 2024 (2023 : N167.57 million).

#### '37 Liquidity risk

The Group faces the risk of liquidity as a result of the gap between the payment by trade debtors for services rendered and the pressure of immediate payment for inputs, repayment of borrowings, taxes and other obligations. Liquidity risk is managed as follows:

- Negotiation of credit terms with suppliers.
- Negotiation of instalments plan with the tax and other relevant authorities.
- Follow-up on matured credits for prompt collection.
- Stocking of only vital inventory items.
- Negotiation of overdraft facilities in periods of immense pressure leveraging on the Group's high credit rating.
- Maintaining a portfolio of borrowings with a varied maturity profile.

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**'38 Maturity of borrowings**

The maturity profile of the anticipated future cash flows including interest in relation to the Group's non-derivative financial liabilities on an undiscounted basis which therefore differs from both the carrying value and fair value is as follows:

	Bank and other loans N'000	Trade payables N'000	Other payables N'000	Total N'000
<b>31 December 2024</b>				
Within 6 months	701,990	1,448,724	6,054,503	8,205,218
In 6 to 12 months	335,736	-	-	335,736
In 12 to 18 months	265,320	-	-	265,320
In 18 to 24 months	247,511	-	-	247,511
In more than 24 months	294,572	-	-	294,572
	<u>1,845,129</u>	<u>1,448,724</u>	<u>6,054,503</u>	<u>9,348,356</u>
<b>31 December 2023</b>				
Within 6 months	317,201	1,245,421	1,518,664	2,395,048
In 6 to 12 months	482,547	-	-	275,238
In 12 to 18 months	560,335	-	-	305,990
In 18 to 24 months	245,284	-	-	335,125
In more than 24 months	875,286	-	-	775,798
	<u>2,480,654</u>	<u>1,245,421</u>	<u>1,518,664</u>	<u>4,087,200</u>

**'39. Interest rate risk**

The Group finances the acquisition of vehicles through bank borrowings which are often secured on the assets of the Group, the vehicles acquired and the personal guarantees of the directors. The employment of this source of funding is substantial in comparison with the equity holders funds and presents a key source of uncertainty and risk in view of the impact of interest rate fluctuations on financing costs, the pressure of repayments on liquidity and the adverse consequences of repayment defaults.

The Group has a track record of keeping with the terms, conditions and covenants of its borrowings which has accorded it a very high credit rating within the financial community. This, it exploits to negotiate financing at concessionary interest rates with its financiers with relative ease. In recent times there has been an increasing shift in focus for fund sourcing from the traditional financial institutions whose interest rates are benchmarked in line with the Central Bank of Nigeria's monetary policy rates (MPR) to industrial banks providing cheaper financing targeted at the development of critical sectors of the economy in line with the government's fiscal objectives.

An analysis of the borrowings at 31 December 2024 with the associated interest rates is provided under note 27.1 to these financial statements. Interest on borrowings is usually benchmarked against the Monetary Policy Rate (MPR) of the Central Bank of Nigeria which represents the rate at which the CBN lends to banks. The Company only had one bank borrowing (Access Bank loan of N308m with a 12 months tenor and interest at 32% per annum) at December 31, 2024 and thus was not highly exposed to the vagaries of the MPR. Transit Support Services had some exposure to bank facilities that are subject to MPR changes at December 2024. (Overdraft of N200m with no utilized portion but a positive balance of N6.044m at 31/12/2024 and a revolving term loan of N300m with no outstanding balance at 31/12/2024). The other facility for Transit Support is a Bank of Industry facility with a balance of N83.36m at December 31, 2024. The Bank of Industry facility has a fixed interest rate. ABC Cargo Express and ABC Ghana Limited had no outstanding borrowing as at 31/12/2024.

**ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
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**40 Foreign exchange risk**

The Group is exposed to foreign exchange risk in the repatriation of funds generated in foreign currency on its west coast operations, in the transfer of funds to overseas for vehicle spares, and on balances on its domiciliary accounts. Funds generated from foreign operations are usually lodged in interest bearing accounts with banks of the country where they were generated and transferred to Naira denominated correspondent banks targeting periods of favourable exchange rates between the Naira and the foreign currency. Procurements are equally planned to ensure transfers to overseas suppliers are made in periods of favourable exchange rates.

The Group is exposed to foreign exchange risk arising from fluctuations in exchange rates between the Naira and the Ghanaian Cedi, and the Naira against the USD. The results of the Group's foreign operations in Ghana are converted to Naira at the average rates prevailing within the period. In 2024, a net amount of GHS 822,906 (2023;GHS 263,144) earned from foreign operations was recognized in the income statement at an average exchange rate of N101.79/GHS (2023; N55.20/GHS). Transactions through the domiciliary accounts (for the Company are converted at the rates ruling on the dates of transaction while balances at the end of the reporting period are converted at the CBN official ruling rate at the end of the reporting period with differences taken to profit or loss. Naira is usually purchased at the rate prevailing on transactions dates and paid into the USD denominated domiciliary account for overseas procurement of vehicles spares and payment to foreign software vendors. Transactions through the domiciliary accounts in 2024 (majorly for payment of overseas software vendors ) amounted to USD 7,252.79 (2023; USD 6,755) While the exchange rate closed officially at N1,535/USD in 2024(2023: N904/USD), the rate was a little higher( Between N1,600 and N1,700/USD) at the parallel market (2023;N1,200-N1,30/USD). The Company often source foreign exchange from the parallel market for transfers to overseas suppliers due to the delay associated with obtaining forex at the official rate through the banks and other official dealers.

Transit Support Services Ltd has a credit line of USD 3.096Million with one of her major foreign partners Shaanxi Heavy Duty Import and Export Ltd China for importation of Semi-Knocked-down parts(SKD) for local vehicle assembly, fully built vehicles and spare parts, all for resale. A total of USD269,000 was repaid within the year.

Transit Support Services Ltd has a credit line of USD 3.096Million with one of her major foreign partners Shaanxi Heavy Duty Import and Export Ltd China for importation of Semi-Knocked-down parts(SKD) for local vehicle assembly, fully built vehicles and spare parts, all for resale. A total of USD190,719.7 was repaid within the year. Unpaid balance at 31/12/2024 was USD 310,791.24.

Transit Support Services also has another credit line from Yangzhou Yaxing Motor Coach Co.Ltd,China for the importation of fully built Yaxing Luxury Buses for ABC Transport Plc and other customers. A total of USD21,025 was repaid with the year. As at 31 December, 2024, the balance outstanding on the credit line was USD 533,820.88.

Foreign exchange risk incidental to the above is managed by (1) utilization of the credit majorly to service prepaid orders (2)Conversion of proceeds of sales immediately into USD and (3) Opening up of several sources for forex supply to ensure steady forex supply to service the credit. An exchange loss of N541.8m was recorded in the credit lines in 2024

**41 Capital management**

The following table summarizes the capital of the Group and company:

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>a. Cash and cash equivalents</b>	<b>318,781</b>	-82,363	<b>111,938</b>	49,494
Borrowings and leases	<b>1,845,129</b>	2,118,471	<b>1,761,774</b>	1,660,580
<b>Net debt</b>	<b>2,163,910</b>	2,036,108	<b>1,873,712</b>	1,710,074
Equity	<b>1,117,908</b>	796,317	<b>1,223,627</b>	859,628
<b>Capital</b>	<b>3,281,818</b>	2,832,425	<b>3,097,339</b>	2,569,702

The Group's policy is to ensure that some profit is retained to finance further growth which is complemented with bank borrowings where funds cannot be fully sourced internally.

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Group consists of debt (which includes the borrowings and finance lease obligations) disclosed in Notes 27 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the relevant notes in the financial statements. The Group is not subject to any externally imposed capital requirements. The management of the Group reviews the capital structure on a frequent basis to ensure that gearing is within acceptable limit.







ABC TRANSPORT PLC

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Company	Carrying amount				Total N'000
	Amortised Cost N'000	FVTPL N'000	FVTOCI N'000	Non- financial N'000	
<b>42 Categories of financial instruments (Cont'd)</b>					
<b>31 December 2023</b>					
<b>Assets</b>					
Property, plant and equipment	-	-	-	3,444,331	3,444,331
Intangible assets	-	-	-	22,995	22,995
Investment in subsidiaries	-	-	-	141,470	141,470
Financial assets - FVOCI	-	-	1,845	-	1,845
Financial assets - FVTPL	-	12,190	-	-	12,190
Deferred tax asset	-	-	-	59,864	59,864
Inventories	-	-	-	277,099	277,099
Trade and other receivables	135,796	-	-	241,714	377,510
Other assets	-	-	-	371,119	371,119
Cash and bank balances	62,380	-	-	-	62,380
<b>Total assets</b>	<b>198,176</b>	<b>12,190</b>	<b>1,845</b>	<b>4,558,592</b>	<b>4,770,802</b>

	Carrying amount			
	Amortized cost N'000	FVTPL N'000	Non- financial N'000	Total N'000
<b>Liabilities</b>				
Loans and borrowings	2,170,526	-	-	2,170,526
Post employment benefits - defined benefits	-	-	471,008	471,008
Provisions	-	-	63,635	63,635
Deferred tax liabilities	-	-	-	-
Current tax liabilities	-	-	138,809	138,809
Trade and other payables	126,055	-	705,024	831,079
Deferred income	-	-	109,437	109,437
<b>Total liabilities</b>	<b>2,296,581</b>	<b>-</b>	<b>1,487,912</b>	<b>3,784,494</b>

	Group		Company	
	Carrying value 2024 N'000	Fair value 2024 N'000	Carrying value 2024 N'000	Fair value 2024 N'000

**43. Carrying value and fair value information**

**Financial liabilities measured at amortized cost:**

Loans and borrowings	4,244,616	4,243,744	4,161,261	4,160,389
Others	0	-	-	-
<b>Total</b>	<b>4,244,616</b>	<b>4,243,744</b>	<b>4,161,261</b>	<b>4,160,389</b>

	Group		Company	
	Carrying value 2023 N'000	Fair value 2023 N'000	Carrying value 2023 N'000	Fair value 2023 N'000
Loans and borrowings	2,480,654	2,383,865	2,170,526	2,073,737
Others	0	-	-	-
<b>Total</b>	<b>2,480,654</b>	<b>2,383,865</b>	<b>2,170,526</b>	<b>2,073,737</b>

a. The fair values are calculated using discounted cash flows with a discount rate based on the coupon interest rates of the individual loans and leases at the reporting date.

b. The disclosed fair values above fall within level 2 in the fair value hierarchy of IFRS 13 as the cash flows and discount rates used in the measurements are market corroborated.

## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

#### NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

	Level 1 N'000	Level 2 N'000	Level 3 N'000	Not applicable N'000	Total N'000
<b>44 Fair value information:</b>					
The table below sets out the valuation					
<b>Non-current assets</b>					
Property, plant and equipment	-	-	-	8,250,559	8,250,559
Intangible assets	-	-	-	23,829	23,829
Right of use assets	-	-	-	15,896	15,896
Financial assets - FVOCI (i)	-	-	1,845	-	1,845
Financial assets - FVTPL (ii)	18,876	-	-	-	18,876
Deferred tax asset	-	-	-	412,435	412,435
<b>Current assets</b>					
Inventories	-	-	-	1,060,714	1,060,714
Trade and other receivables	-	-	-	754,988	754,988
Current tax asset	-	-	-	9,809	9,809
Other assets	-	-	-	1,138,790	1,138,790
Cash and cash equivalents	-	-	-	318,781	318,781
<b>Total assets</b>	<b>18,876</b>	<b>-</b>	<b>1,845</b>	<b>11,985,801</b>	<b>12,006,522</b>
<b>Equity and liabilities</b>					
Issued share capital	-	-	-	1,196,311	1,196,311
Share premium	-	-	-	434,607	434,607
Retained earnings	-	-	-	(513,010)	(513,010)
Loans and borrowings	-	-	-	1,845,129	1,845,129
Post employment benefits - defined benefits	-	-	-	-	-
Provisions	-	-	-	141,573	141,573
Deferred tax liabilities	-	-	-	30,970	30,970
Current tax liabilities	-	-	-	653,940	653,940
Trade and other payables	-	-	-	7,503,228	7,503,228
Deferred income	-	-	-	192,838	192,838
<b>Total equity and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,485,585</b>	<b>11,485,585</b>

(i) Upon loss of significant influence in Abex Ltd, IFRS required the measurement of the remaining shareholding of 5% as an investment at fair value. The fair value was determined by recourse to the disposal in December 2014 of 35.2% shareholding at a value determined by a professional valuation of Abex Ltd using the adjusted book value basis. This method which the Group considered more representative of fair value than other income based valuations, considered the net worth of Abex Ltd plus assets not recognized in the statement of financial position plus adjustments for goodwill and revaluation of assets. The shares were sold to an existing shareholder that is knowledgeable in the business position and dynamics of Abex Ltd. The fair value of the investment stated in the financial statements is not expected to be remeasured in the foreseeable future.

(ii) This relates to investment in Stanbic IBTC Assets Management Ltd. The fair value is measured as on a recurring basis as the market value of the securities in which the fund is invested less agreed management fee accruing to the fund managers at the measurement date. Refer to Note 18 of the financial statements for more details.

## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024 NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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#### 45 Financial commitments

The Directors are of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of these financial statements. These liabilities are relevant in assessing the Company's financial position.

#### 46 Financial commitments

The Directors are of the opinion that there were no capital commitments at 31 December 2024 (2023 : Nil).

#### 47 Events after reporting period

No event or transaction has occurred since the reporting date, which would have had material effect on the financial statements as at that date or which needs to be mentioned in the financial statements in the interest of fair presentation of the Company's financial position as at the reporting date or its results for the year that ended.

#### 48 Contingent liabilities

The Company is subject to various pending litigations arising in the normal course of business. The cases are of different ages and at different stages of adjudication with some dating as far back as 2005. A provision is made in the accounts at the point a judgment is given against the Company even if the case proceeds on appeal. provisions relating to pending litigations are reported under note 29 to the financial statements.

**ABC TRANSPORT PLC**

**ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024  
OTHER NATIONAL DISCLOSURES**

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**Other National Disclosures**

**ABC TRANSPORT PLC**

**ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
CONSOLIDATED STATEMENT OF VALUE ADDED  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	<b>Group</b>				<b>Company</b>			
	<b>2024</b>		<b>2023</b>		<b>2024</b>		<b>2023</b>	
	<b>N'000</b>	<b>%</b>	<b>N'000</b>	<b>%</b>	<b>N'000</b>	<b>%</b>	<b>N'000</b>	<b>%</b>
Revenue from contracts with customer	<b>12,515,137</b>		7,331,982		<b>5,969,897</b>		3,536,677	
Other income	<b>762,070</b>		155,889		<b>345,836</b>		408,840	
	<b>13,277,207</b>		7,487,870		<b>6,315,734</b>		3,945,517	
Bought-in-material and services:								
- Local	<b>(9,662,527)</b>		(5,706,619)		<b>(4,161,992)</b>		(2,286,044)	
- Imported	<b>-</b>		-		<b>-</b>		-	
<b>Value added</b>	<b>3,614,680</b>	<b>100</b>	1,781,251	100	<b>2,153,741</b>	<b>100</b>	1,659,473	100

**Applied as follows:-**

**To pay employees**

- Wages, salaries and other staff costs	<b>1,463,794</b>	<b>40</b>	1,076,352	60	<b>659,992</b>	<b>31</b>	465,599	28
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**To pay government**

- Corporate tax	<b>598,560</b>	<b>17</b>	171,941	10	<b>244,539</b>	<b>11</b>	112,965	7
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**To pay provider of capital**

- Interest expense and similar charges	<b>465,977</b>	<b>14</b>	408,813	23	<b>425,145</b>	<b>20</b>	347,794	21
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**To provide for replacement of assets  
dividend to shareholders and  
development of business**

- Depreciation of property, plant and equipment	<b>769,731</b>	<b>21</b>	664,699	37	<b>572,148</b>	<b>27</b>	585,144	44
- (Loss)/profit for the year	<b>669,188</b>	<b>18</b>	(540,555)	(30)	<b>251,917</b>	<b>12</b>	147,971	-

<b>Value added</b>	<b>3,614,680</b>	<b>100</b>	1,781,251	100	<b>2,153,741</b>	<b>100</b>	1,659,473	100
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Value added represents the additional wealth which the company has been able to create by its own and its employees effort. The statements shows the allocation of that wealth among the employees, capital providers, Government and that retained for creation of more wealth.

# ABC TRANSPORT PLC

## ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS STATEMENT OF FIVE-YEAR FINANCIAL SUMMARY - GROUP FOR THE YEAR ENDED 31 DECEMBER 2024

31 DECEMBER	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
<b>Statement of financial position</b>					
<b>Assets employed</b>					
Non current assets	8,720,783	5,047,823	4,126,211	3,163,781	3,381,373
Current assets	3,283,082	2,443,696	2,516,690	2,917,609	2,493,658
<b>Total assets</b>	<b>12,003,865</b>	<b>7,491,519</b>	<b>6,642,903</b>	<b>6,081,389</b>	<b>5,875,031</b>
<b>Liabilities</b>					
Creditors within one year	9,786,349	4,622,277	3,725,589	4,519,840	4,150,152
Creditors due after one year	948,387	1,757,925	1,660,245	502,525	563,006
<b>Total liabilities</b>	<b>10,734,736</b>	<b>6,380,202</b>	<b>5,385,834</b>	<b>5,022,365</b>	<b>4,713,158</b>
Net Asset	1,269,129	1,111,317	1,257,069	1,059,024	1,161,873
<b>Capital employed</b>					
Share capital	1,196,311	1,196,311	1,196,311	828,850	828,850
Share premium	434,607	434,607	434,607	558,916	575,391
Accumulated losses	(513,010)	(1,257,033)	(834,601)	(770,478)	(617,318)
OCI Reserve	(77,837)	(126,710)	2,048	27,262	25,108
Non-controlling interests	229,058	(273,040)	458,703	414,475	349,842
<b>Total equity</b>	<b>1,269,129</b>	<b>(25,865)</b>	<b>1,257,069</b>	<b>1,059,024</b>	<b>1,161,873</b>
<b>Statement of profit or loss account and other comprehensive income</b>					
Revenue from contracts with customer	12,515,137	7,331,982	7,625,866	6,569,540	7,751,099
Direct costs	(9,642,922)	(5,666,980)	(6,321,302)	(5,488,683)	(6,527,831)
Gross profit	2,872,215	1,665,001	1,304,565	1,080,857	1,223,268
Administrative expenses	(2,249,856)	(1,780,691)	(1,232,165)	(1,291,702)	(1,615,496)
Other income	762,070	155,889	482,306	548,358	333,757
Impairment losses	-	-	-	-	(11,991)
Finance costs	(465,977)	(408,813)	(275,482)	(196,830)	(253,079)
Profit/(loss) on ordinary activities before tax	918,452	(368,614)	279,225	140,683	(323,541)
Income tax expense	(249,264)	(171,941)	(219,119)	(229,232)	(155,346)
Profit/(Loss) after tax	669,188	(540,555)	60,106	(88,549)	(478,887)
Earning/(Loss) per share - basic (kobo)	28	(22.6)	2.5	(5.3)	(29.0)

Earning/(Loss) per share is based on (loss)/profit after tax divided by the number of ordinary shares of 50 kobo each in issue at the end of each financial year.

Net assets per share is based on the net assets divided by the number of 50 kobo each in issue at the end of each financial year.

## ABC TRANSPORT PLC

### ANNUAL REPORT AND CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS STATEMENT OF FIVE-YEAR FINANCIAL SUMMARY - COMPANY FOR THE YEAR ENDED 31 DECEMBER 2024

31 DECEMBER	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
<b>Assets employed</b>					
Non current assets	7,352,422	3,682,695	3,125,746	2,366,848	2,752,296
Current assets	<u>1,579,475</u>	<u>1,088,108</u>	<u>1,135,759</u>	<u>993,332</u>	<u>981,129</u>
<b>Total assets</b>	<b><u>8,931,897</u></b>	<b><u>4,770,802</u></b>	<b><u>4,261,505</u></b>	<b><u>3,360,180</u></b>	<b><u>3,733,425</u></b>
<b>Liabilities</b>					
Creditors within one year	6,772,665	2,233,897	1,928,517	2,467,007	2,316,583
Creditors due after one year	<u>917,417</u>	<u>1,550,597</u>	<u>1,455,173</u>	<u>288,999</u>	<u>532,425</u>
<b>Total liabilities</b>	<b><u>7,690,082</u></b>	<b><u>3,784,494</u></b>	<b><u>3,383,689</u></b>	<b><u>2,756,006</u></b>	<b><u>2,849,008</u></b>
<b>Net Asset</b>	<b>1,241,815</b>	<b>986,309</b>	<b>877,816</b>	<b>604,174</b>	<b>884,417</b>
<b>Capital employed</b>					
Share capital	1,196,311	1,196,311	1,196,311	828,850	828,850
Share premium	434,607	434,607	434,607	558,916	575,392
Accumulated losses	(407,291)	(547,127)	(771,290)	(801,780)	-583,013
OCI reserve	<u>18,188</u>	<u>18,188</u>	<u>18,188</u>	<u>18,188</u>	<u>18,188</u>
<b>Total equity</b>	<b><u>1,241,815</u></b>	<b><u>1,101,979</u></b>	<b><u>877,816</u></b>	<b><u>604,174</u></b>	<b><u>839,417</u></b>
<b>Statement of profit or loss account and other comprehensive income</b>					
Revenue from contracts with customer	5,969,897	3,536,677	5,487,806	4,464,144	3,606,124
Direct costs	<u>(4,569,537)</u>	<u>(2,645,493)</u>	<u>(4,447,755)</u>	<u>(3,769,548)</u>	<u>(3,303,213)</u>
<b>Gross profit</b>	<b>1,400,360</b>	<b>891,184</b>	<b>1,040,051</b>	<b>694,596</b>	<b>302,911</b>
Administrative expenses	(824,595)	(691,294)	(1,028,658)	(1,156,865)	(967,066)
Other income	345,836	408,840	270,059	503,033	273,799
Impairment losses	-	-	-	-	(11,991)
Finance costs	<u>(425,145)</u>	<u>(347,794)</u>	<u>(198,547)</u>	<u>(158,615)</u>	<u>(193,964)</u>
<b>Profit / (Loss) on ordinary activities</b>					
Profit / (Loss) before taxation	496,456	260,936	82,905	(117,851)	-596,310
Income tax expense	<u>(244,539)</u>	<u>(112,965)</u>	<u>(92,415)</u>	<u>(145,917)</u>	<u>(23,102)</u>
<b>Profit / (Loss) after taxation</b>	<b><u>251,917</u></b>	<b><u>147,971</u></b>	<b><u>(9,510)</u></b>	<b><u>(263,767)</u></b>	<b><u>(619,412)</u></b>
Earning/(Loss) per share - basic (kobo)	<u>11</u>	<u>6</u>	<u>(0)</u>	<u>(16)</u>	<u>(37)</u>

(Loss)/earnings per share is based on (loss)/profit after tax divided by the number of ordinary shares of 50 kobo each in issue at the end of each financial year.

Net assets per share is based on the net assets divided by the number of 50 kobo each in issue at the end of each financial year.