



**FINANCIAL
STATEMENTS
FOR THE PERIOD
ENDED
31 March 2025**

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Financial highlights	3 Months to	3 Months to	% change
	Mar 2025	Mar 2024	
	N'000	N'000	
Revenue	10,088,744	8,505,762	19
Operating profit	1,515,323	1,062,414	43
Finance income	263,782	840,841	(69)
Profit before taxation	1,712,219	1,902,892	(10)
Taxation	(565,032)	(627,954)	(10)
Profit for the period	1,147,187	1,274,938	(10)
Total equity and liabilities	21,495,376	19,412,575	11
Additions to property, plant & equipment (PPE)	200,293	200,198	0
Depreciation on PPE	175,280	120,598	45
Cash and cash equivalents	7,682,138	4,707,136	63
Earnings per share (kobo) - Basic and diluted	141	156	(10)
Net asset per share (kobo) - Basic	1,446	1,135	27

Chemical and Allied Products Plc
 Unaudited Statement of Profit or Loss and Other Comprehensive Income
 For the Period Ended 31 March 2025



	Notes	3 Months to Mar 2025 N'000	3 Months to Mar 2024 N'000
Revenue	5	10,088,744	8,505,762
Cost of sales	7i	(5,685,076)	(5,463,042)
Gross profit		4,403,668	3,042,720
Selling and Marketing expenses	7iii	(1,104,341)	(833,771)
Administrative expenses	7ii	(1,870,882)	(1,309,722)
Other income	6	86,878	163,187
Operating profit		1,515,323	1,062,414
Finance income	9	263,782	840,841
Finance cost	10	(66,886)	(363)
Net Finance income		196,896	840,478
Profit before taxation		1,712,219	1,902,892
Income tax expense	11	(565,032)	(627,954)
Profit for the period		1,147,187	1,274,938
Other comprehensive income for the period net of tax		-	-
Total comprehensive income for the period		1,147,187	1,274,938
Earnings per share for profit attributable to the equity holders of the company:			
Basic and diluted EPS (kobo)	13	141	156

The accompanying notes to the financial statements form part of these financial statements.

Chemical and Allied Products Plc
Unaudited Statement of Financial Position
As At 31 March 2025



		2025 N'000	2024 N'000
Assets	Notes		
Non-current assets			
Property, plant and equipment	14	3,221,026	3,377,677
Right of use asset	16	6,850	6,850
Intangible assets	15	246,231	266,475
Finance lease receivable	18b	10,372	10,372
		3,484,481	3,661,374
Current assets			
Inventories	17	6,102,270	6,648,523
Trade and other receivables	18a	1,608,264	1,179,836
Prepayments	19	2,618,223	1,172,711
Cash and cash equivalents	20	7,682,138	7,014,735
		18,010,895	16,015,805
Total assets		21,495,376	19,677,179
Liabilities			
Non-current liabilities			
Lease Liability	26	8,322	7,959
Employee benefit obligations	23	330,042	277,824
Deferred taxation liabilities	25	844,200	844,200
		1,182,564	1,129,983
Current liabilities			
Trade and other payables	21	4,607,438	4,554,040
Provision	21	133,254	133,254
Current income tax liabilities	11	2,484,934	1,919,902
Dividend payable	12	1,303,512	1,303,512
		8,529,138	7,910,709
Total liabilities		9,711,702	9,040,692
Equity			
Ordinary share capital	24	407,374	407,374
Share premium	24	523,850	523,850
Other Reserves from business combination	24	968,267	968,267
Retained Earnings		9,884,183	8,736,996
Equity attributable to equity holders of the Company		11,783,674	10,636,487
Total equity		11,783,674	10,636,487
Total equity and liabilities		21,495,376	19,677,179

Mr. Folasope Ayiesimoju
Chairman
FRC/2019/IODN/00000019806

Mrs. Bolarin Okunowo
Managing Director
FRC/2020/PRO/DIR/003/00000020616

Mr. Sulaiman Iromini
Chief Financial Officer
FRC/2024/PRO/ICAN/001/957319

The financial statements have been approved and authorised for issue by the Board of Directors on 28 April, 2025
The accompanying notes to the financial statements form part of these financial statements.

Chemical and Allied Products Plc
Statement of Cash Flows
For the Period Ended 31 March 2025



		2025	2024
	Notes	N'000	N'000
Profit after taxation		1,147,187	1,274,938
Adjustments for:			
Depreciation of property plant and equipment	14	175,280	120,598
Amortization	15	20,243	18,974
Loss/(profit) on sale of PPE	6	18,359	(41,023)
Lease Interest	10	363	363
Finance income	9	(263,782)	(36,650)
Impairment of trade and other receivables	7ii	55,981	55,838
Write down and write off on inventory	7ii	45,865	35,587
Income Tax expense	11	565,032	627,954
Net foreign exchange (loss)/gain	9	66,523	(804,191)
Cash from operations before working capital changes		1,831,050	1,252,389
Changes in inventory	17	500,389	(3,505,873)
Changes in trade and other receivables	18(a)	(470,356)	(553,426)
Changes in trade payables	21	53,398	2,169,722
Changes in Employee benefit obligations	23	52,218	-
Changes in prepayment	19	(1,445,512)	(348,792)
Cash generated from/(used in) operations		521,186	(985,980)
Net cash generated from operating activities		521,186	(985,980)
Cash flows from investing activities			
Purchase of property plant and equipment	14	(200,293)	(200,198)
Proceeds from disposal of PPE		149,251	39,973
Proceeds from sale of PPE - HFS		-	50,000
Interest received	9	263,782	36,650
Net cash flow generated from/ (used in) investing activities		212,740	(73,575)
Cash flows from financing activities			
Dividend refunded	12	-	5,905
Repayment on import finance facility	26	-	(39,830)
Net cash flow used in financing activities			(33,925)
Net increase/(decrease in cash and cash equivalents		733,926	(1,093,480)
Net foreign exchange (loss)/gain		(66,523)	804,191
Cash and cash equivalents at beginning of period	20	7,014,735	4,996,425
Cash and cash equivalents at end of period	20	7,682,138	4,707,136

The accompanying notes to the financial statements form part of these financial statements.

Statement of Changes in Equity

	Share Capital N'000	Share Premium N'000	Other Reserves N'000	Retained Earnings N'000	Total Equity N'000
At 01 January 2024	407,374	523,850	968,267	6,070,216	7,969,707
Profit for the period				1,274,938	1,274,938
Total comprehensive income:				7,345,154	9,244,645
Transaction with owners: Dividend proposed and paid					
Balance at 31 March 2024	407,374	523,850	968,267	7,345,154	9,244,645
Balance at 1 January 2025	407,374	523,850	968,267	8,736,996	10,636,487
Profit for the period				1,147,187	1,147,187
Total comprehensive income:				9,884,183	11,783,674
Transactions with owners: Dividend proposed and paid					
Balance at 31 March 2025	407,374	523,850	968,267	9,884,183	11,783,674

The accompanying notes to the financial statements form part of these financial statements.

1 General information

1.1 Reporting Entity

Chemical and Allied Products Plc ('the Company') is a company incorporated in Nigeria. The Company is involved in the manufacturing and sale of paints. The address of the registered office is 2 Adeniyi Jones Avenue, Ikeja, Lagos.

The company is a public liability company, which is listed on the Nigerian Exchange domiciled in Nigeria.

The Parent Company is UACN Plc, a Nigerian Company listed on the Nigerian Exchange.

1.2 Basis of accounting

i) Statement of compliance

The financial statements of Chemical and Allied Products Plc have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023. The financial statements, which were prepared on a going concern basis, were authorized for issue by the Company's board of directors on 28 April 2025. Details of the Company's accounting policies, including changes thereto are included in Note 2.

ii) Basis of measurement

The financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following items, which are measured on an alternative basis on each reporting date:

- Non- derivative financial instruments - initially measured at fair value and subsequently at amortised cost.
- Long term employee benefits - present value of the obligation
- Inventory - lower of cost and net realizable value
- Lease liabilities - measured at present value of future lease payments

1.3 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Naira (N), which is the Company's functional currency. All amounts have been rounded to the nearest thousand unless otherwise indicated.

2 Material accounting policies

2.1 Leases

The Company applies a single recognition and measurement approach for all leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2 Material accounting policies (continued)

2.1 Leases (Continued)

Company as a lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

i) Right-of-use assets (ROU)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land 40 to 99 years
- Shop Space 5years

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.6 *Impairment of non-financial assets*.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2 Material accounting policies (continued)

iii) Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. This has been recognised as finance lease receivable.

2.2 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss and presented within finance income or finance cost.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income related to financial instruments.

2.3 Property, plant and equipment

Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

2 Material accounting policies (continued)

2.3 Property, plant and equipment (continued)

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be measured reliably. The carrying amount of the replaced cost is derecognised. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Building on leasehold land	Shorter of useful life and lease terms (40 to 99 years)
Plant and machinery	3 to 43 years
Furniture and fittings	3 to 6 years
Tinting equipment	4 years
Motor vehicles	4 to 6 years

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

Asset under construction are disclosed as Capital Work in Progress and are not depreciated.

Depreciation begins when the asset is available for use and continues until the asset is derecognised, even if it is idle.

Derecognition

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2 Material accounting policies (continued)

2.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Asset	Useful Life
Trademark	Indefinite
Acquired Computer Software	5years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised.

Acquired Computer Software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- the directors intend to complete the software product and use it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2 Material accounting policies (continued)

2.4 Intangible assets (continued)

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

2.5 Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or Cash Generating Unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

2.6 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.6.1 Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

2 Material accounting policies (continued)

Financial Instruments-initial recognition and subsequent measurement

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified into 1 category:

- Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes trade receivables, other receivables, loans, cash and cash equivalents and related parties receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

2 Material accounting policies (continued)

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the note to Trade receivables Note 18a.

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

For receivables from related parties (non-trade), other receivables and short-term deposits, the Company applies general approach in calculating ECLs. It is the Company's policy to measure ECLs on such asset on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

2 Material accounting policies (continued)

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The mechanics of the ECL calculations for receivable from related parties and other non-trade receivables are outlined below and the key elements are, as follows:

- PD- the probability of default is an estimate of the likelihood of default over a given time horizon.
- EAD- the exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise.
- LGD- the loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

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

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

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost

These includes trade and other payables, loans payables and borrowings. Trade payables are classified as current liabilities due to their short term nature.

2 Material accounting policies (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Offsetting financial instruments

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

2.7 Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost is calculated based on the actual cost that comprises cost of direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Write offs and write down allowances are recognized in profit or loss for obsolete items, damaged or slow moving items where applicable, in the period they occur.

2.8 Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand plus short-term deposits. Short-term deposits have a maturity of less than three months from the date of acquisition, are readily convertible to cash and are subject to an insignificant risk of change in value.

2.9 Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when:

the Company has a present obligation as a result of a past event

it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

- a reliable estimate can be made of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2 Material accounting policies (continued)

The unwinding of the discount is recognised as finance cost. The amount of a provision is the present value of the expenditure expected to be required to settle 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 cashflows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

Contingent Assets

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

2.10 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

The Company has only one class of shares; ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve. The use of the share premium account is governed by Companies and Allied Matters Act (CAMA), 2020. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

2 Material accounting policies (continued)

2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. It includes tax payable on current year's profit plus adjustment in respect of previous years.

2.11.1 Current tax

Tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in future years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period and is assessed as follows;

- Company income tax is computed on taxable profits
- Tertiary education tax is computed on assessable profits
- Nigeria Police Trust Fund levy is computed on net profit (i.e. profit after deducting all expenses and taxes from revenue earned by the Company during the year).

Minimum tax

Minimum tax is payable by companies having no taxable profits for the year or where the tax on profits is below the minimum tax. Minimum tax is calculated by applying 0.5% on Company's turnover.

2.11.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets 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 profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets 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 asset 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 realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2 Material accounting policies (continued)

2.11.3 Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, 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 the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.12 Employee benefits

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

(a) Defined contribution schemes

i) Statutory contributions (Note 8): The Pensions Reform Act of 2014 requires all companies to pay a minimum of 10% of employees monthly emoluments and the employee to pay a minimum of 8% of monthly emoluments (basic salary, housing and transport allowance) to a pension fund on behalf of all full time employees.

The contributions are recognised as employee benefit expenses as services are rendered by employees. The company has no further payment obligation once the contributions have been paid. Employee contributions are funded through payroll deductions.

(b) Productivity incentive and bonus plans

All full time staff are eligible to participate in the productivity incentive scheme. The company recognises a liability and an expense for bonuses and productivity incentive, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(c) Termination benefits

Termination benefits are recognised as an expense when it is paid under involuntary resignation or when the Company is committed to a formal detailed plan to terminate employment before the normal retirement date.

(d) Short term employee benefits

Short term employee benefit obligations are expensed without deduction as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and or the obligation can be estimated reliably.

(e) Other long term employee benefits (Long term incentive plan)

Other long term employee benefits relates to long term incentive plan (LTIP) instituted by the Company to incentivise key management staff upon the accomplishment of set objectives. Payouts under the LTIP are expected at the end of the third and fifth years. The liability recognised under the scheme is estimated and discounted to its present value. The related interest cost is included as part of finance cost in the profit or loss.

2 Material accounting policies (continued)

2.13 Revenue From Contracts with Customers (IFRS 15)

The Company is involved in the manufacturing and sale of paints.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Company has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Company reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Company has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorised the different revenue stream detailed below.

Sale of Paints

The Company manufactures and sells paints and other decoratives. Revenue are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. The normal credit term is 30 to 60 days upon delivery. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The paint is often sold with volume rebates based on aggregate sales over a three months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume rebates. The Company normally transfer the products to the customers premises as part of the sales incentive which is a logistics discount. The logistic discount which is the transport cost paid on behalf of the customer is recognised as a reduction to revenue for the related goods. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any). In determining the transaction price for the sale of paint, the Company considers the existence of significant financing components and consideration payable to the customer (if any).

i) Variable Consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of paint and other decorative provide customers with a right of return and usage based fees (management fee). The rights of return and usage based fees give rise to variable consideration.

2 Material accounting policies (continued)

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer, as at 31 December 2024 no performance obligation is outstanding however, we have assessed our revenue as at year end and recognised return assets in the statements of financial position and the corresponding entry was adjusted in the revenue as required by IFRS 15.

Customer Usage

The Company has contracts where support staffs are located in the colour centres/shops that belongs to its numerous customers. The fee charged is based on a constant rate on sales made by the customer. The total transaction price of service cost rendered by Company would be variable since the contracts have range of possible transaction prices arising from different volume purchased even though the rate per unit/band is fixed. The Company estimates the variable consideration using the expected value (i.e. a probability weighted amount) because this method best predicts the amount of consideration.

ii) **Significant financing component**

Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Application of paints

The Company provides service of application of paints to its customers. Such services are recognised as a performance obligation satisfied over time. Revenue is recognised by measuring progress using the input method that is labour hours.

Using the practical expedient in IFRS 15 for the application of paints, the Company has elect to recognise revenue based on the amount invoiced to the customer since the Company has a right to consideration from its customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date.

Contract Balances

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

2 Material accounting policies (continued)

Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Cost to obtain a contract

The Company pays sales commission to its employees for each contract that they obtain for sales of paint. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included under employee benefits and part of selling and distribution) because the amortisation period of the asset that the Company otherwise would have used is one year or less.

2.14 Fair value measurement

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable:

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2 Material accounting policies (continued)

In some cases, if the inputs used to measure the fair value of an asset or a liability is categorised in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the basis of determination of fair values are included in Note 29 Financial Instruments - Fair Values and Financial Risk Management.

2.15 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

Dividend not claimed for over a period of 15 months are refunded to the company and are treated as a liability in the company's financial statements. Dividend that remain unclaimed for twelve years become statute barred and are written back to retained earnings.

2.16 Earnings per Share

Basic earnings per share is computed by dividing the profit or loss attributable to owners of the Company by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit or loss attributable to the owners of the Company, by the weighted average number of shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.

2.17 Assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

2 Material accounting policies (continued)

Derecognition of assets held for sale and recognition of gain or loss on remeasurement

An asset (or disposal group) classified as held for sale is derecognized when it is disposed of, signifying the transfer of control to another party, typically through legal ownership transfer; when the criteria for held-for-sale classification are no longer met, such as a decision not to sell or distribute the asset or the sale no longer being highly probable within one year; or when no future economic benefits are expected from its disposal, as in cases of abandonment or permanent withdrawal from use and sale.

Gain or loss on remeasurement

When an asset (or disposal group) is initially classified as held for sale, or when its fair value less costs to sell is subsequently remeasured, any resulting impairment loss is recognized in profit or loss. This impairment loss is calculated as the difference between the carrying amount and the fair value less costs to sell.

A gain is recognized for any subsequent increase in fair value less costs to sell of an asset (or disposal group) classified as held for sale, but not in excess of the cumulative impairment loss that has been previously recognized. This gain is recognized in profit or loss.

Reclassification from Assets Held for Sale: If the criteria for held for sale are no longer met, the asset (or disposal group) is reclassified as held for use. The asset (or disposal group) is measured at the lower of its carrying amount before it was classified as held for sale, adjusted for any depreciation, amortization, or revaluation that would have been recognized had the asset not been classified as held for sale, and its recoverable amount at the date of the subsequent decision not to sell. Any resulting adjustment is recognized in profit or loss.

The gain or loss arising from the derecognition or remeasurement of assets held for sale is presented in profit or loss within the statement of comprehensive income, consistent with the nature of the asset being disposed of.

2.18 Prepayments

Prepayments are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Company expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

2.19 Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity-accounted investees and income taxes.

2 Material accounting policies (continued)

2.20 Finance income and finance costs

The Company's finance income and finance costs include:

- Interest income
- Interest expense

Interest income or expense is recognised 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.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3 Standards and Interpretations

3.1 Standards effective in the year

There were no new accounting standards and interpretations that had a material impact on the financial statements for the year ended 31 December 2024.

3.2 Accounting standards issued but not yet effective

A number of new accounting standards are effective for annual reporting periods beginning after 1 January 2024 and early application permitted. However, the Company has not early adopted the following new or amended accounting standards in preparing these financial statements:

Standard/Interpretation	Description of standards/interpretation	Date issued by IASB	Effective date Period beginning after	Summary of the requirements and impact assessment
Amendments to IAS 21	Lack of Exchangeability	August 2023	1 January 2024	<p>The amendments clarifies:</p> <ul style="list-style-type: none"> • when a currency is exchangeable into another currency; and • how a company estimates a spot rate when a currency lacks exchangeability. <p>Assessing exchangeability: When to estimate a spot rate A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate.</p> <p>Estimating a spot rate: Meeting the estimation objective A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements on how to estimate a spot rate.</p> <p>Therefore, when estimating a spot rate a company can use:</p> <ul style="list-style-type: none"> • an observable exchange rate without adjustment; or • another estimation technique. <p>Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. This may include:</p> <ul style="list-style-type: none"> • the nature and financial impacts of the currency not being exchangeable • the spot exchange rate used; • the estimation process; and • risks to the company because the currency is not exchangeable. <p>These amendments are not expected to have a material impact on the financial statements.</p>

3 Standards and Interpretations (Continued)

Standard/Interpretation	Description of standards/interpretation	Date issued by IASB	Effective date Period beginning after	Summary of the requirements and impact assessment
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	May 2024	1 January 2026	<p>The amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', primarily focus on enhancing disclosure requirements, particularly those related to supplier finance arrangements and credit risk disclosures.</p> <p>These amendments are not expected to have any material impact on the financial statements</p>
IFRS 18	Presentation and Disclosure in Financial Statements	April 2024	1 January 2027	<p>The new standard introduces the following key new requirements:</p> <ul style="list-style-type: none"> • It promotes a more structured income statement, in particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be classified into three new distinct categories, operating, investing, and financing, based on a company's main business activities. • All companies are required to report the newly defined 'operating profit' subtotal – an important measure for investors' understanding of a company's operating results – i.e. investing and financing results are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the 'investing' category. • Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements. • Enhance guidance is provided on how to group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so. • Companies are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. • It also requires Companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature. <p>The Company is yet to carry-out an assessment to determine the impact that the amendments could have on its business; however, the Company will adopt the standard for the year ending 31 December 2027.</p>

4. Significant judgements and estimates

4.1 Significant estimates

The preparation of financial statement in conformity with IFRS requires the use of certain critical accounting estimates. In the process of applying the Company's accounting policies, management has exercised judgment and estimates in determining the amounts recognised in the financial statements. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas where judgment and estimates are significant to the financial statements are as follows:

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the hospitality sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 18a.

Property, plant and Equipment/Intangible assets

Estimates are made in determining the depreciation/amortisation rates and useful lives of these property, plant and equipment. These financial statements have, in the management's opinion been properly prepared within reasonable limits of materiality and within the framework of the summarised significant accounting policies.(refer to Note 2.4 for further details).

The amortisation period/useful lives of intangible assets also require management estimation.

4.2 Significant judgements

There are ongoing claims against the company which which have been provided for based on directors estimate that is likely to be paid based on legal advice during the financial year.

5. Analysis by revenue

The chief operating decision-maker has been identified as the executive directors. The executive directors review the company's internal reporting on monthly income statement and financial position in order to assess performance and allocate resources.

The executive directors assess performance of the operating segment based on profit from operations.

	2025	2024
	N'000	N'000
Operating profit	1,515,323	1,062,414
Depreciation (Note 14)	175,280	120,598
Interest income (Note 9)	263,782	36,650
Profit before taxation	1,712,219	1,902,892
Income tax (Note 11)	565,032	627,954
Entity wide information:	2025	2024
Analysis of revenue:	N'000	N'000
Sale of paint products	10,074,288	8,471,647
Revenue from services	14,456	34,114
	10,088,744	8,505,762

6. Other income

	2025	2024
	N'000	N'000
Sale of scrap items	27,277	58,390
(Loss)/profit on sale of PPE	(18,359)	41,023
Management fees	77,135	62,950
Rental Income	825	825
	86,878	163,187

Management fees represent income generated from management services rendered to the company's key distributors.

7. Expenses by nature

	2025	2024
	N'000	N'000
7i Cost of sales		
Raw material consumed	4,777,088	4,763,591
Staff costs excluding directors' emoluments	137,368	92,241
Distribution cost	181,089	181,422
Royalty fees	308,048	233,339
Hire of equipment	35,356	32,735
Capdec project cost	11,180	13,799
Depreciation of property, plant & equipment (Note 14)	68,247	40,871
General risk insurance premium	38,599	29,718
Direct overhead	128,100	75,326
	5,685,076	5,463,042

7ii Administrative expenses		
Staff costs excluding directors' emoluments	904,718	637,180
Directors' emoluments (Note 8iii)	46,972	57,657
Auditors' fees	12,179	13,095
Depreciation of property, plant & equipment (Note 14)	107,033	79,727
Amortization of intangible assets (Note 15)	20,243	18,974
Insurance	8,956	5,178
Commercial service fees (Note 27b)	105,743	89,151
Computer charges	199,336	97,935
Cleaning and laundry	9,422	6,171
Security	21,085	4,015
Fuel and Oil Expenses	16,649	8,142
Other Professional/Consultancy Expenses	28,786	20,216
Postage, Printing and Telecoms	8,254	5,903
AGM/Secretariat Expenses	21,069	16,395
Write down and write off on inventory	45,865	35,587
Impairment of trade and other receivables	55,981	55,838
**Other expenses	258,593	158,557
	1,870,882	1,309,722

**Other expenses relates to vehicle, legal, rent, etc expenses charge to admin during the year.

7iii Selling and distribution expenses		
Marketing, communication & entertainment	450,476	323,836
Tour and travelling	33,930	21,272
*Other expenses	619,935	488,663
	1,104,341	833,771

*Other expenses relates to sales & redistributive incentive, dealers reward, etc during the year charged to selling & distribution expenses

8. Employee benefits

	2025	2024
Staff costs include:		
Wages and salaries	1,005,603	704,690
Pension costs:		
- Defined contribution plans (Statutory)	36,483	24,732
	1,042,086	729,421

Particulars of directors and staff

(i) The company had in its employment during the year the weekly average number of staff in each category below. The aggregate amount stated against each category was incurred as wages and retirement benefit costs during the year.

	2025 N'000	2024 N'000
Costs		
Management	764,524	532,937
Staff	286,595	196,484
Total	1,051,119	729,421

(iii) Emoluments of directors		
	2025	2024
	N'000	N'000
Fees	431	431
Passage allowance	46,540	57,225
Other emoluments	49,573	109,755
	96,544	167,411
(iv) The Chairman's emoluments	10,445	11,390
(v) Emolument of the highest paid director	49,572	57,627

(vi) The table below shows the number of directors of the Company excluding the highest paid director and chairman, whose remuneration, excluding pension contributions, fell within the bands shown.

		2025	2024
	₦	Number	Number
14,000,001 -	16,000,000	4	5
18,000,001 -	60,000,000	2	2
		6	7

8. Employee benefits

Key management compensation

Key management compensation (executive director) includes:	2025	2024
	N'000	N'000
Short-term employee benefits:		
- Wages and salaries	47,898	104,830
- Allowance - Executive Directors	1,675	4,925
	49,573	109,755

The above amounts have been included in directors emoluments above.

9. Finance income

	2025	2024
	N'000	N'000
Interest income on short-term bank deposits	263,782	36,650
Exchange gain	-	804,191
	263,782	840,841

Interest income is calculated using the effective interest rate method

10. Finance Cost

	2025	2024
	N'000	N'000
Lease interest expenses	363	363
Exchange loss	66,523	-
	66,886	363

11. Taxation

	2025 N'000	2024 N'000
<i>Current tax</i>		
Nigeria corporation tax charge for the year	513,666	570,868
Education tax	51,366	57,087
Others		
Income tax expense	<u>565,032</u>	<u>627,954</u>

Nigeria corporation tax is calculated at 30% (2024: 30%) of the estimated assessable profit for the year.

The tax charge for the year can be reconciled to the profit per the statement of profit or loss as follows:

	2025 N'000	2024 N'000
Accounting Profit before tax	<u>1,712,219</u>	<u>1,902,892</u>
Tax at the Nigeria corporation tax rate of 30% (2024: 30%)	513,666	570,868
Impact of disallowable expenses		
Education tax at 3% of assessable profit	51,366	57,087
	<u>565,032</u>	<u>627,954</u>
Effective tax rate	33.0%	33.0%
Income tax recognised in profit or loss		
Tax at the Nigeria corporation tax rate of 30% (2024: 30%)	513,666	570,868
Education tax	51,366	57,087
Tax charge for the year	<u>565,032</u>	<u>627,954</u>

	2025 N'000	2024 N'000
Per statement of profit or loss		
Income tax	513,666	570,868
Education tax	51,366	57,087
	<u>565,032</u>	<u>627,954</u>

11. Taxation (Continued)

Per statement of financial position:

Balance 1 January	1,919,902	1,121,788
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(Payments)/writeback during the year:

Income tax	-	(985,738)
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Education tax	-	(117,108)
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NPF Trust Fund/Capital gains tax	-	(924)
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Total cash payment	-	(1,103,770)
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WHT Utilized	-	-
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	-	(1,103,770)
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Provision for the year:	1,919,902	18,018
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Income tax	513,666	1,692,053
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Education tax	51,366	208,999
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Capital gain tax		523
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NPF Trust Fund		309
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	565,032	1,901,884
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Balance as at 31 March	2,484,934	1,919,902
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12. Dividend payable

Amounts recognised as distributions to ordinary shareholders in the year comprise:

	2025	2024
	N'000	N'000
At 1 January	1,303,512	1,503,710
Dividend declared		1,262,859
Dividends transferred to registrar	-	(185,633)
Dividend refunded by the registrar*	-	107,816
Payment during the year	-	(1,262,859)
Statute barred dividend written back**	-	(122,381)
	1,303,512	1,303,512

*The dividend refunded relates to a recall of dividend deposited with the Registrars which have stayed over and above 18 months.

** Statute barred dividend written back relates unclaimed dividends spanning over 12 years which have been written back to retained earnings in line with the Companies and Allied Matters Act (CAMA) 2020.

ii. **Dividend declared**

Amounts recognised as distributions to ordinary shareholders in the year comprise of the below;

	<u>N'000</u>	<u>N'000</u>
At 1 January		
Approved dividend	-	1,262,859
Cash payments during the year	-	(1,262,859)
	<u>-</u>	<u>-</u>

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	<u>2025</u>	<u>2024</u>
Weighted average number of ordinary shares in issue ('000)	814,748	814,748
Profit attributable to ordinary equity shareholders (N'000)	1,147,187	1,274,938
Basic earnings per share (kobo)	<u>141</u>	<u>156</u>
<i>(b) Diluted</i>	<u>141</u>	<u>156</u>

There were no potentially dilutive shares outstanding at 31 March 2025.

14. Property, plant and equipment
14.1 Reconciliation of carrying amount

	Leasehold Land	Buildings on leasehold land	Tinting equipment	Plant and Machinery	Furniture and fittings	Motor vehicles	WIP	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1st January 2024	1,412	206,904	949,409	1,240,730	684,807	1,210,048		4,293,312
Additions		23,078	186,031	177,664	265,161	564,452	648,459	1,864,845
Disposals	-	-	(2,087.00)	(44)	(95,585)	(70,828)	-	(168,544)
Reclassifications	-	110,700	-	537,759			(648,459)	-
Transfers from assets held for sale (Note 14.2)	40,000	148,967	-	1,871	-	-	-	190,838
At 31st December 2024	41,412	489,649	1,133,353	1,957,980	854,383	1,703,672		6,180,451
At 1st January 2025	41,412	489,649	1,133,353	1,957,980	854,383	1,703,672		6,180,450
Additions/Transfer		71,959	4,910	5,617	78,099	19,812	19,896	200,293
Disposals		(162,699)			(555)	(82,063)		(245,317)
At 31 March 2025	41,412	398,909	1,138,263	1,963,597	931,927	1,641,421	19,896	6,135,425
Accumulated depreciation								
At 1st January 2024		55,819	748,608	435,990	469,577	592,709	-	2,302,704
Charge for the year		6,748	130,980	118,177	129,331	270,003	-	655,239
Disposals			(2,068)	(44)	(91,445)	(61,612)	-	(155,169)
At 31st December 2024		62,567	877,520	554,123	507,463	801,100		2,802,774
At 1st January 2025		62,567	877,520	554,123	507,463	801,100	-	2,802,774
Charge for the year		2,044	37,063	31,184	36,271	68,718		175,280
Disposals		(14,024)			(555)	(49,073)		(63,652)
At 31 March 2025		50,586	914,583	585,308	543,179	820,745		2,914,402
Net book values								
At 31st December 2024	41,412	427,082	255,833	1,403,857	346,920	902,572		3,377,677
At 31 March 2025	41,412	348,322	223,680	1,378,289	388,748	820,676	19,896	3,221,026

14. Property, plant and equipment (Continued)

- a) Leasehold properties have an unexpired tenure of 40 years
b) The Company had no capital commitments and no capital work in progress as at 31 March 2025
c) No asset of the Company was pledged as security and there are no restrictions to title on any of the Company's assets (2024: Nil).

14.3 Assets held for sale

Included in the assets acquired from the merger with Portland Paints is a disposal group held for sale. These relate to part of the manufacturing factory situated in Ewekoro, Ogun state.

The disposal group comprise the following assets:

	Leasehold Land	Buildings on leasehold land	Plant and Machinery	Furniture and fittings	Total
	N'000	N'000	N'000	N'000	N'000
At 1 January 2024	40,000	148,967	38,036		227,003
Disposal	-	-	(36,165)		(36,165)
Transfers to property, plant & equipment (Note 14.1)*	(40,000)	(148,967)	(1,871)		(190,838)
At 31 December 2024					

15. Intangible assets

Cost of software:

	Software N'000	Trademark N'000	WIP N'000	Total N'000
At 1st January 2024	378,265	49,025	0	427,290
Additions	16,415	-	-	16,415
Disposal	-	-	-	-
At 31st December 2024	394,680	49,025	0	443,705
At 1st January 2025	394,680	49,025	0	443,705
Additions	-	-	-	-
Reclassification	-	-	-	-
At 31 March 2025	394,680	49,025	0	443,705

Amortisation of software:

At 1st January 2024	99,642	-	-	99,642
Amortisation charge	77,589	-	-	77,589
Disposal	-	-	-	-
At 31st December 2024	177,231	-	-	177,231
At 1st January 2025	177,231	-	-	177,231
Amortisation charge	20,243	-	-	20,243
Disposal	-	-	-	-
At 31 March 2025	197,474	-	-	197,474

Net book value

At 31st December 2024	217,449	49,025	0	266,475
At 31 March 2025	197,206	49,025	0	246,231

Trademark

The Company's trademark represents the N49 million trade mark purchased from Blue Circle Industries Plc by Portland Paints & Products Plc, and acquired through the merger, which have been adjudged to have an indefinite life. The Trademark is carried at cost, without amortisation, to be tested annually for impairment.

16. Right of Use assets	Land N'000	Total N'000
Cost		
At 1 January 2024	7,740	7,740
Additions		
At 31 December 2024	<u>7,740</u>	<u>7,740</u>
At 1 January 2025	7,740	7,740
Additions		
At 31 March 2025	<u>7,740</u>	<u>7,740</u>
Accumulated Depreciation		
At 1 January 2024	712	712
Depreciation charge	178	178
At 31 December 2024	<u>890</u>	<u>890</u>
At 1 January 2025	890	890
Depreciation charge		
At 31 March 2025	<u>890</u>	<u>890</u>
Carrying amount		
At 31 December 2024	<u>6,850</u>	<u>6,850</u>
At 31 March 2025	<u>6,850</u>	<u>6,850</u>

Right of Use Assets arise from the Company's lease arrangement with Wemabod on the piece of land where the office and warehouse is located for a non cancellable period of 100 years.

17. Inventories	2025 N'000	2024 N'000
Raw materials	3,300,244	3,521,720
Intermediates	131,621	87,284
Technical stocks and spares	212,487	167,964
Containers and labels	312,607	210,794
Finished goods	<u>2,755,780</u>	<u>3,225,365</u>
	6,712,739	7,213,128
Write down - Inventory	<u>(610,470)</u>	<u>(564,605)</u>
	<u>6,102,270</u>	<u>6,648,523</u>

Inventories have been reduced by N610million (2024: N564 million) as a result of bad and damage products. The movement in 2025 is the net of provision made in the year and write-off of bad and damaged stock in the period.

18a Trade and other receivables	2025 N'000	2024 N'000
Receivables due within one year		
Trade receivables	1,291,761	867,558
Less: provision for impairment of trade receivables	<u>(179,342)</u>	<u>(123,361)</u>
Net trade receivable	1,112,419	744,197
Receivables from related parties (Note 25)	4	285
Withholding tax receivable	227,481	199,366
Impairment of WHT receivable	<u>(65,427)</u>	<u>(65,427)</u>
Other receivables	151,800	128,676
Receivable from Pal Pension - Gratuity	181,989	172,742
	<u>1,608,264</u>	<u>1,179,837</u>

Notes to the financial statements - Continued

18. Trade and other receivables (continued)

Other receivables mainly relates to Advance payment guarantee (cashback), right of return asset, and advance payment to vendors as at period end.

Movements in the provision for impairment of trade receivables are as follows:

	2025 N'000	2024 N'000
At 1 January	123,361	72,064
Additional impairment charge	55,981	55,312
Receivable Write off in the year		(4,015)
At 31 March 2025	<u>179,342</u>	<u>123,361</u>

18b Receivables due after one year, finance lease receivables

	2025 N'000	2024 N'000
Gross investment in lease	79,200	77,000
Unearned finance income	(68,828)	(66,628)
Net investment in lease	<u>10,372</u>	<u>10,372</u>

Gross investment in lease

Gross finance lease receivable - minimum lease receivable

- No later than 1 year	2,200	2,200
- 2 to 5 years	8,800	8,800
- More than 5 years	66,000	66,000
	<u>77,000</u>	<u>77,000</u>
Future finance income on lease	(66,628)	(66,628)
Present value of finance lease receivable	<u>10,372</u>	<u>10,372</u>

The present value is analysed as follows:

- No later than 1 year	-	-
- 2 to 5 years	5,910	5,910
- More than 5 years	4,462	4,462
	<u>10,372</u>	<u>10,372</u>

The company has finance lease for a warehouse to a related party, MDS Logistics. The lease is for a total period of 51 years; of this period 35 years remain in the contract. The property reverts to the company at the end of the lease period.

19. Prepayments

	2025 N'000	2024 N'000
Foreign Import prepayment	1,273,847	439,472
Other prepayments	679,465	352,316
Advance payment to vendors	664,911	380,922
	<u>2,618,223</u>	<u>1,172,711</u>

Other prepayment mainly relates to prepaid expenses - Insurance, rent, software licences, etc.

20. Cash and cash equivalents

	2025 N'000	2024 N'000
Cash at bank and in hand	1,465,314	906,315
Short-term deposits	6,216,825	6,108,420
Total	<u>7,682,138</u>	<u>7,014,735</u>

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

Notes to the financial statements - Continued

21. Trade and other payables

	2025 N'000	2024 N'000
Trade payables	1,519,519	1,091,491
Royalty accrual	705,011	396,962
	2,224,530	1,488,453
Employee Payables	25,935	7,277
Statutory Payables	333,510	375,493
Advance payments received	145,072	174,621
Payable to related parties	54,574	362,902
Accrued expenses	1,522,091	1,503,629
Other Payables	293,650	632,400
Refund Liability	8,075	9,266
	4,607,438	4,554,041
	2025	2024
Average credit period taken for trade purchases (days)	30	30

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The directors consider the carrying amount of trade and other payables to approximate its fair value.

22 Provision

	2025 N'000	2024 N'000
Opening balance as at 1 January 2025	133,254	100,254
Provisions made during the year (Note 7ii)	-	33,000
Closing balance as at 31 March 2025	133,254	133,254

This represents estimates of liabilities in relation to litigation and claims arising in the normal course of the business for which the actual amounts are not certain. Management expects the ongoing litigations to be concluded within the next financial year, accordingly the provision has not been discounted.

23. Employee benefit obligations

	2025 N'000	2024 N'000
Opening balance as at 1 January 2025	277,824	277,824
Provisions made during the year (Note 7ii)	52,218	-
Closing balance as at 31 March 2025	330,042	277,824

24. Share capital

	2025		2024	
	Number N'000	Amount N'000	Number N'000	Amount N'000
Issued and fully paid:				
Ordinary shares of 50k each	814,748	407,374	814,748	407,374
Movements during the year:	Number of shares N'000	Ordinary shares N'000	Number of shares N'000	Ordinary shares N'000
Balance at 1 January 2025	814,748	407,374	814,748	407,374
At 31 March 2025	814,748	407,374	814,748	407,374

	N'000 2025	N'000 2024
Share premium		
Balance at 1 January	523,850	523,850
Movement in the period	-	-
At 31 March 2025	523,850	523,850

	N'000	N'000
Reserves from business combination		
Balance at 1 January	968,267	968,267
At 31 March 2025	968,267	968,267

Nature and purpose of reserves

The share premium reserve is used to recognise the amount above the par value of issued and fully paid ordinary share of the Company.

Notes to the financial statements - Continued

25. Deferred tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Statement of financial position:	2025 N'000	2024 N'000
Deferred tax liabilities:		
Deferred tax liability to be recovered after more than 12 months	844,200	844,200
	<u>844,200</u>	<u>844,200</u>
Property, plant & equipment	658,352	658,352
Provisions and allowances for inventories and receivables	(329,432)	(329,432)
Exchange difference	514,326	514,326
Right of use assets (IFRS 16 Leases)	954	954
Net balance	<u>844,200</u>	<u>844,200</u>

26. Lease Liability

	2025 N'000	2024 N'000
Opening balance	7,959	7,959
Lease interest expenses	363	1,452
Lease payment during the year		(1,452)
Balance as at 31 March	<u>8,322</u>	<u>7,959</u>
Splitting into Current and Non-Current		
Current	-	-
Non-Current	8,322	7,959
	<u>8,322</u>	<u>7,959</u>

27. Related party transactions

The immediate and ultimate parent, as well as controlling party of the company is UAC of Nigeria Plc incorporated in Nigeria. There are other companies that are related to CAP Plc through common shareholdings and directorship.

The following transactions were carried out with related parties:

(a) Sales of goods and services

	Relationship	2025 N'000	2024 N'000	
UAC of Nigeria Plc	Parent	Sales of paint	-	1,124
UAC Foods Limited	Fellow subsidiary	Sales of paint	-	1,437
Grand Cereals Ltd	Fellow subsidiary	Sales of paint	-	4,357
MDS Logistics	Fellow subsidiary	Rental		3,300
UPDC	Fellow subsidiary	Sales of paint		4,632
			<u>-</u>	<u>14,850</u>

(b) Purchases of goods and services

	2025 N'000	2024 N'000
UAC of Nigeria Plc: Commercial service fee (Note 7)	105,743	89,151
	<u>105,743</u>	<u>89,151</u>

(c) Period-end balances arising from sales/purchases of goods/services:

	Relationship	2025 N'000	2024 N'000	
Receivable:				
UAC Foods Limited	Fellow subsidiary	Sales of paint	4	-
MDS Logistics	Fellow subsidiary	Rental	-	285
			<u>4</u>	<u>285</u>
Payable:				
MDS Logistics	Fellow subsidiary	Rental	2,520	-
UPDC	Fellow subsidiary	Sales of paint	272	272
UAC of Nigeria Plc	Parent	Service	51,782	362,630
			<u>54,574</u>	<u>362,902</u>

28 Financial instruments - financial risk management and fair values

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

- Credit risk
- Liquidity risk
- Market risk

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

28.1 Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Risk Management Committee of the Board of Directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables and balances held with banks.

Credit risk is monitored and managed in the Company by the Finance Controller. The Company analyses the credit risk for each of her new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, the Company utilises the institutions that have sufficient reputational risk but do not strictly monitor their formal ratings. In addition the Company monitors its exposures with individual institutions and has internal limits to control maximum exposures. Credit terms are set with customers based on past experiences, payment history and reputations of the customers. Sales to retail customers are settled in cash, while only agents and corporate customers are given credits based on limits set by the Board, typically 30 days.

No credit limits were exceeded during the reporting period, and management does not expect material losses from non-performance by these counterparties.

Exposure to credit risk

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

	2025 N'000	2024 N'000
Trade and other receivables* (Note 18a)	1,446,211	1,040,702
Finance lease receivable (Note 18b)	10,372	10,372
Cash and cash equivalents (Note 20)	7,682,138	7,014,735
	9,138,721	8,065,809

*Non-income tax receivables and Right of return assets are not financial instruments and therefore have been excluded from trade and other receivables

The movement in the Company's impairment on trade and other receivables is shown in Note 18(a).

28 Financial instruments - financial risk management and fair values (continued)

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. However, management also considers the factors that may influence the credit risk of its debtor base, including the default risk of the industry in which the debtors operate.

The Company has adopted a policy of only dealing with creditworthy counterparties and credit limits are set, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Company considers the credit risk on its interest income receivable immaterial as it represents interest accrued to date on its term deposits yet to mature at year end held by financial institutions. The assessed expected credit loss is not material and therefore not recognized.

Expected credit loss assessment for Trade Receivables

The Company uses an allowance matrix to measure ECLs of trade receivables from its customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Loss rates are based on actual credit loss experience. These rates are multiplied by scalar factors to reflect differences between the economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected life of the receivables.

The ageing of trade receivables at the reporting date including those that were past due but not impaired was as follows:

As at 31 March 2025	Average loss rate	Gross	Impairment	Net
		N'000	N'000	N'000
Current (not due)	5%	939,790	47,074	892,715
61-90 Days (past due)	31%	296,579	92,187	204,392
91-120 Days (past due)	46%	23,724	10,898	12,826
121-365 Days (past due)	70%	8,299	5,813	2,486
Over 365 days (past due)	100%	23,370	23,370	(0)
		1,291,761	179,342	1,112,419

As at 31 December 2024	Average loss rate	Gross	Impairment	Net
		N'000	N'000	N'000
Current (not due)	5%	676,878	34,483	642,395
61-90 Days (past due)	31%	107,985	33,566	74,419
91-120 Days (past due)	46%	49,167	22,586	26,581
121-365 Days (past due)	70%	3,627	2,540	1,087
Over 365 days (past due)	100%	30,187	30,187	-
		867,844	123,362	744,482

Cash and cash equivalents

The Company held cash and cash equivalents of N7.7 billion as at 31 March 2025(2024: N7.01 billion). The Company mitigates its credit risk exposure of its bank balances by selecting and transacting with reputable banks. The expected credit loss on bank balances is not considered material. Accordingly no impairment loss was recognised (2024:Nil).

28 Financial instruments - financial risk management and fair values (continued)

(b Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity Analysis

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

31 March 2025

	Carrying amount	Contractual	6 months or less	6-12 months	1-5years	Over 5years
	N'000	N'000	N'000	N'000	N'000	N'000
Non-derivative financial liabilities						
Trade and other payables* (Note 21)	4,265,852	4,265,852	4,265,852	-	-	-
Lease liability (Note 26)	8,322	56,303	-	-	5,226	51,077
Employee benefit obligations (Note 23)	330,042	400,000	-	-	400,000	-
Dividend payable (Note 12)	1,303,512	1,303,512	1,303,512	-	-	-

31 December 2024

	Carrying amount	Contractual	6 months or less	6-12 months	1-5years	Over 5years
	N'000	N'000	N'000	N'000	N'000	N'000
Non-derivative financial liabilities						
Trade and other payables* (Note 21)	3,362,261	3,362,261	3,362,261	-	-	-
Lease liability (Note 26)	7,959	56,303	-	-	5,226	51,077
Employee benefit obligations (Note 23)	277,824	400,000	-	-	400,000	-
Dividend payable (Note 12)	1,303,512	1,303,512	1,303,512	-	-	-

*Statutory payables and refund liability are not financial instruments and have therefore been excluded from trade and other payables.

(c Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Company'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 optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currency in which sales and purchases are denominated and the respective functional currency of the Company. The functional currency of the Company is primarily the Naira. The currencies in which purchases and other transactions are denominated are United States Dollar (USD), South African Rand (ZAR) and Euro (EUR). 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.

In respect of monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying foreign currencies at spot rates or entering into forward contracts when necessary to address short term imbalance.