



**ROBUST INTERNATIONAL COMMODITIES LIMITED**

**(RC No. 1421535)**

**AUDITED FINANCIAL STATEMENT**

**31 December 2024**

**ROBUST INTERNATIONAL COMMODITIES NIGERIA LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024**

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## Corporate Information

<b>Board of Directors:</b>	Naarayan Raaghavan (Singaporean)	Director
	Vishanth Narayan (Indian)	Director
	Oluwaseun Shobiye (Nigerian)	Director

**Date of Incorporation:** 28 June 2017

**Tax Identification No:** 20503649-0001

**Company Secretary:** Mathmer and Associates  
28, Supo Adetunji street,  
Papa Ajao, Mushin,

**Registered Office:** 28, Supo Adetunji street,  
Papa Ajao, Mushin,

**Corporate Office:** 38, Coker Heights  
Coker Road, Ilupeju  
Lagos, Nigeria

**Registration Number:** RC: 1421535

**Independent Auditor:** Grant Thornton Nigeria  
2A Ogalade Close  
Off Ologun Agbaje Street  
Off Adeola Odeku Street  
Victoria Island, Lagos

**Principal Bankers:** Zenith Bank Plc  
United Bank For Africa Plc  
Coronation Merchant Bank  
FSDH Merchant Bank  
Nova Commercial Bank  
FBN Quest Merchant Bank  
First City Monument Bank Plc  
Fidelity Bank Plc  
Wema Bank  
Globus Bank Limited  
Greenwich Merchant Bank  
Lotus Bank  
Parallex Bank Limited  
Sterling Bank Limited  
Alternative Bank Ltd.  
Polaris Bank Limited  
Union Bank Plc

**For the year ended 31 December 2024**

The Directors present their annual report on the affairs of Robust International Companies Limited ("the Company") together with the audited financial statements and independent auditor's report for the year ended 31st December 2024.

**Principal activity and business**

Robust International Commodities Limited Was Incorporated In Nigeria Under The Companies And Allied Matters Act 2020 As A Private Limited Liability Company (Limited By Shares) On 28 July 2017 With An Authorised Share Capital Of 10,000,000.00 Ordinary Shares Of N1 Each. It Commenced Full Business Operations On October 2019. The Company'S Registered Address Is 28, Supo Adetunji street, off Isolo Road, Papa Ajao, Mushin, Lagos. The principal activities of the company are:

(a) To carry on business of local procurement, sourcing, distributions, supplying, buying and selling of various agricultural commodities.

(b) To carry on business as manufacturer agents, factors and distributors, merchants, traders, commission agents, general contractors, and to import, export, buy, sell, barter, exchange, pledge, or otherwise deal in goods of whatever description.

**Operating Results**

The following is a summary of the company's operating results for the period:

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Revenue	140,225,944	30,400,643
Operating Profit	41,050,396	29,896,035
Profit before taxation	19,808,748	14,350,975
Income tax expense	(2,700,392)	(993,104)
Profit for the year after taxation	17,108,356	13,357,871
Total comprehensive income for	17,108,356	13,357,871

**Directors and their interest**

The direct and indirect interests of Directors in the issued share capital of the Company as recorded in the Register of Directors' Shareholdings and/or as notified by the Directors for the purpose of Sections 301 of the Companies and Allied Matters Act, 2020 were as follows:

**Shareholding Structure**

The names of shareholders and their allotted holding as at current and preceding year ends were as follows:

**Shareholders**

	<b>2024</b>			
	<b>Ordinary Shares ₦1 each 000</b>	<b>%</b>	<b>Share Capital ₦'000</b>	<b>%</b>
Robust International PTE. LTD.	12,105,092	99.96	12,105,092	99.96
Naarayan Raaghavan	5,000	0.04	5,000	0.04
	<b>12,110,092</b>	<b>100.00</b>	<b>12,110,092</b>	<b>100.00</b>

On 6th December 2024, there was an additional issue and allotment of ordinary shares of 7,610,091,550 units at ₦10 including ₦9 premium each to Robust International Pte. Ltd.

	2023			
	Ordinary Shares ₦1 each 000	%	Share Capital ₦'000	%
Robust International PTE. LTD.	4,495,000	99.89	4,495,000	99.89
Naarayan Raaghavan	5,000	0.11	5,000	0.11
	<b>4,500,000</b>	<b>100.00</b>	<b>4,500,000</b>	<b>100.00</b>

On 22nd March 2023, the shareholders of the Company passed a special resolution to surrender a total of 1,495,000,000 units of the Company shares to Robust International Pte. Ltd. On same date, there was an additional issue and allotment of ordinary shares of 3,000,000,000 units at ₦1 each to Robust International Pte. Ltd.

### Immediate and ultimate Parent

The immediate and ultimate parent company of Robust International Commodities Limited is Robust International Pte. Ltd., incorporated in the Republic of Singapore.

### Increase in shares

On 6th December 2024, there was an additional issue and allotment of ordinary shares of 7,610,091,550 units at ₦10 including ₦9 premium each to Robust International Pte. Ltd.

### Directors' interest in contracts

In accordance with Section 303 of the Companies and Allied Matters Act, 2020, none of the Directors have notified the Company of any direct or indirect interest in any contract or proposed contract with the Company during the year under review (2023: Nil).

### Dividend

The board of directors did not propose a dividend for the financial year ended 31 December 2024 (2023: Nil).

### Donations during the year

No donations were made during the year under review. (2023: Nil).

### Property, Plant and Equipment

Information relating to changes in the Company's property, plant and equipment is provided in Note 11 to the Financial Statements. In the Opinion of the Directors, the market value of the Company's property, plant and equipment is not less than the value shown in the audited financial statements.

### Employment and employees

#### (a) Employment of physically challenged persons

The company does not discriminate in considering applications for employment from physically challenged persons. All employees, whether or not physically challenged, are given equal opportunities to develop their experience and knowledge and qualify for promotion in furtherance of their careers. In the event of members of staff becoming physically challenged, effort is made to ensure that as far as possible their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of physically challenged persons should, as far as possible, be identical with those of other employees (2023: Nil).

**Employment and employees (cont'd)****(b) Employee involvement and training**

The company places considerable value on the involvement of its employees and keeps them informed on the various factors affecting them as employees and on the various factors affecting the performance of the company. Consequently, meetings and trainings are held with staff representatives on a wide range of matters affecting the performance of the company.

**(c) Health, safety and welfare at work**

The company takes the health, safety, and welfare of its employees very seriously, with a strong conviction that a healthy workforce will always be highly productive and will always deliver superior performance

**Subsequent Events**

On the 6th of February 2024, the Company, authorized by the board of directors, entered into and executed a mortgage deed between the company, Robust International Pte. Ltd, and International Finance Corporation.

The deed utilizes land measuring approximately 4.138 hectares located at KM34, Off Lagos/Ibadan Expressway, Kenta Oyewolu Village,

**Independent Auditor**

In accordance with Section 401(1) CA of the Companies and Allied Matters Act, Grant Thornton Nigeria were appointed by the Directors during the year under review to replace KPMG Professional Nigeria as external auditors of the Company.

Messrs, Grant Thornton Nigeria, having satisfied the relevant corporate governance rules on their tenure in office have indicated their willingness to continue in office as auditors to the company.

In accordance with Section 401 (2) of the Companies and Allied Matters Act, 2020 therefore, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

BY ORDER OF THE BOARD



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**Timothy Oluwatobi Shobiye**  
**Company Secretary**  
**28, Supo Adetunji street,**  
**FRC/2024/PRO/NBA/004/565681**

08 April 2025

**Statement of Directors' Responsibilities***For the year ended 31 December 2024*

The Directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act, (CAMA), 2020 and the Financial Reporting Council (FRC) of Nigeria (Amendment) Act, 2023.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, (CAMA), 2020 and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

Signed on behalf of the Board of



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Naarayan Raaghavan  
Director  
FRC/2024/PRO/DIR/003/849772  
08 April 2025



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Vishanth Narayan  
Director  
FRC/2024/PRO/DIR/003/452734  
08 April 2025

**Statement of Corporate Responsibility for the Financial Statements***For the year ended 31 December 2024*

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, we, the Managing Director and Chief financial Officer, hereby certify the financial statements of Robust International Commodities Limited for the year ended 31 December 2024 as follows:

- a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2024.
- b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2024.
- d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the companies, during the period end 31 December 2024.
- e) That we have disclosed the following information to the Company's Auditors and Board of Directors:
  - (i) there is no fraud that involves management or other employees who have a significant role in the Company's internal control.

SIGNED BY:

		
Naarayan Raaghavan Director	Vishanth Narayan Director	Sreenivas Alagonda Chief Financial Officer
FRC/2024/PRO/DIR/003/849772	FRC/2024/PRO/DIR/003/452734	FRC/2025/PRO/ICAN/005/789767
08 April 2025	08 April 2025	08 April 2025

The accompanying notes form an integral part of these financial statements.



## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Robust International Commodities Nigeria Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of **Robust International Commodities Nigeria Limited** (the Company), which comprise the statement of financial position as at **31 December 2024**, statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at **31 December 2024**, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Financial Reporting Council of Nigeria (Amendment) Act of 2023 and the provision of the Companies and Allied Matters Act 2020.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

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#### Chartered Accountants

**Grant Thornton Nigeria**  
2A Ogalade Close  
Off Ologun Agbaje Str.  
Off Adeola Odeku Str.  
Victoria Island, Lagos  
P. O. Box 5996 Surulere,  
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concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

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

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion, proper books of account have been kept by the company; and
- iii) The Company's Statement of Financial Position and Statement of Profit or Loss are in agreement with the books of account.



Kingsley Opara, FCA  
FRC/2014/PRO/ICAN/004/00000005881  
FOR: GRANT THORNTON  
(CHARTERED ACCOUNTANTS)  
LAGOS, NIGERIA.

Date: 8 April, 2025



**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 ₦'000	2023 ₦'000
Revenue	4	140,225,944	30,400,643
Cost of sales	6.1	(95,457,035)	(29,565,738)
<b>Gross profit /(loss)</b>		<b>44,768,909</b>	<b>834,905</b>
Other income	5	879,399	31,027,340
Selling and Distribution expenses	6.2	(624,868)	(260,898)
Administrative expenses	6.3	(2,921,072)	(1,168,084)
Impairment loss on trade receivables	6.4	(1,051,972)	(537,228)
<b>Operating profit</b>		<b>41,050,396</b>	<b>29,896,035</b>
Finance costs	8	(21,247,173)	(15,557,408)
Finance income	8	5,526	12,348
<b>Net finance costs</b>		<b>(21,241,647)</b>	<b>(15,545,060)</b>
<b>Profit before taxation</b>		<b>19,808,748</b>	<b>14,350,975</b>
Income tax expenses	9	(2,700,392)	(993,104)
<b>Profit for the year</b>		<b>17,108,356</b>	<b>13,357,871</b>
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive income for the year</b>		<b>17,108,356</b>	<b>13,357,871</b>
Profit/Earning per share			
Basic/diluted(Profit)/earning per share (Naira )	10	1	3

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2024**

	Notes	2024 ₹'000	2023 ₹'000
<b>Non-Current Assets</b>			
Property, plant and equipment	11	65,338,562	23,726,276
Investment in subsidiary	12	10,000	10,000
		<u>65,348,562</u>	<u>23,736,276</u>
<b>Current Assets</b>			
Inventories	13	21,689,494	26,180,748
Trade and other receivables	14	54,478,240	34,249,183
Prepayment and Advances	15	27,450,200	24,242,822
Cash and cash equivalents	16	21,298,853	5,244,867
		<u>124,916,787</u>	<u>89,917,620</u>
<b>Total assets</b>		<u><b>190,265,349</b></u>	<u><b>113,653,896</b></u>
<b>Equity</b>			
Share capital	17	12,110,092	4,500,000
Retained earnings		33,541,518	16,433,162
Reserves	17	68,490,824	(2,823,775)
<b>Total equity</b>		<u><b>114,142,434</b></u>	<u><b>18,109,387</b></u>
<b>Non-Current Liabilities</b>			
Loans and borrowings	18	1,831,373	19,588,476
Deferred tax liabilities	20	3,376,882	992,386
		<u>5,208,255</u>	<u>20,580,862</u>
<b>Current liabilities</b>			
Current tax liabilities	10	315,896	905
Bank Overdrafts		63,860	4,954,721
Loans and Borrowings	18	69,167,672	68,104,535
Trade and other payables	19	1,367,231	1,903,486
<b>Total Current liabilities</b>		<u>70,914,660</u>	<u>74,963,648</u>
<b>Total liabilities</b>		<u>76,122,915</u>	<u>95,544,509</u>
<b>Total equity and liabilities</b>		<u><b>190,265,349</b></u>	<u><b>113,653,896</b></u>

The financial statements on pages were approved by the board of directors on the 08 April 2025 and signed on its behalf by:



Naarayan Raaghavan  
Director  
FRC/2024/PRO/DIR/003/849772



Vishanth Narayan  
Director  
FRC/2024/PRO/DIR/003/452734



Sreenivas Alagonda  
Chief Financial Officer  
FRC/2025/PRO/ICAN/005/789767

The accompanying notes form an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Share capital (Naira'000)	Retained earnings (Naira'000)	Reserves (Naira'000)	Total (Naira'000)
<b>Opening balance as at 1st January 2023</b>	<b>1,500,000</b>	<b>3,075,291</b>		<b>4,575,291</b>
Issue of Ordinary Shares	3,000,000			3,000,000
Profit & Loss - 2023		13,357,871		13,357,871
Fair Value on Loan - Long Term			(2,823,775)	(2,823,775)
<b>Opening balance as at 1st January 2024</b>	<b>4,500,000</b>	<b>16,433,162</b>	<b>(2,823,775)</b>	<b>18,109,387</b>
<b>Reconciling items:</b>				-
Issue of share Capital (Conversion of Loan into equity)	7,610,092		68,490,824	76,100,916
Reversal of Shareholders contribution (FV Adj.)			2,823,775	2,823,775
Profit & Loss - 2024		17,108,356		17,108,356
				-
				-
<b>Closing Balance as on 31st December 2024</b>	<b>12,110,092</b>	<b>33,541,518</b>	<b>68,490,824</b>	<b>114,142,434</b>



**STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31 DECEMBER 2024**

	<b>Note</b>	<b>2024 ₦'000</b>	<b>2023 ₦'000</b>
<b>Cash flows from operating activities</b>			
Profit for the year		17,108,356	13,357,871
Adjustments for:			
Depreciation of property, plant, and equipment	11	3,527,325	81,078
Impairment of trade receivables	6.4	1,051,972	537,228
Unrealised Exchange Loss on Loans & Borrowings		(813,769)	5,002,688
Unrealised Exchange Loss on Cash & Cash Equivalents		165,419	(9,513)
Unrealised currency gain on Receivables		(865,044)	(1,772,875)
Interest income on cash and cash equivalents		5,526	12,348
Interest expense on loans and borrowings		19,283,609	7,966,990
Interest Expenses on Bank overdrafts		1,530,620	694,279
Inventory write off			104,039
Income tax expense	9	2,700,392	993,104
<b>Operating cash before working capital changes</b>		<b>43,694,407</b>	<b>26,967,237</b>
Changes in working capital:			
(increase)/decrease in trade and other receivables		(20,415,985)	(11,680,462)
(increase)/decrease in prepayments		(3,207,378)	(17,112,726)
(increase)/decrease in Inventories		4,491,254	(17,900,757)
Increase/(decrease) in trade and other payables		(536,255)	1,345,831
<b>Cash generated from/(used in) operating activities</b>		<b>24,026,042</b>	<b>(18,380,877)</b>
Income tax paid		(905)	-
<b>Net cash from/(used in) operating activities</b>		<b>24,025,137</b>	<b>(18,380,877)</b>
		0	
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	11	(45,139,610)	(23,293,093)
Investment in subsidiary			(10,000)
Interest income received		(5,526)	(12,348)
<b>Net cash used in investing activities</b>		<b>(45,145,136)</b>	<b>(23,315,441)</b>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares	17	76,100,916	3,000,000
Loans and borrowings received	18	178,335,090	124,039,419
Interest paid on loans and borrowings	18	(193,802,158)	(76,691,458)
Interest Paid on Borrowings	18	(16,872,962)	(6,435,238)
Interest paid on bank overdraft	18	(1,530,620)	(694,279)
<b>Net cash from financing activities</b>		<b>42,230,266</b>	<b>43,218,444</b>
<b>Net increase in cash and cash equivalents</b>		<b>21,110,267</b>	<b>1,522,126</b>
Cash and cash equivalents as at 1 January		290,146	(1,241,493)
Effects of movement of exchange rates on cash held		(165,419)	9,513
<b>Cash and cash equivalents at end of the year</b>	16	<b>21,234,993</b>	<b>290,146</b>

**Notes to the financial statements**  
**For the Year ended 31 December 2024**

These notes form an integral part of the financial statements.

**1 Reporting Entity**

Robust International Commodities Limited Was incorporated in Nigeria under The Companies and Allied Matters Act 2020 as a private limited liability company (Limited By Shares) On 28 July 2017 with an authorised share capital Of 10,000,000.00 ordinary shares of N1 each. It commenced full business operations on October 2019. The Company's registered address is 28, Supo Adetunji street, off Isolo road, Papa Ajao, Mushin, Lagos.

**2.1 Basis of accounting**  
**Statement of Compliance**

The financial statements of Robust International Commodities Limited have been prepared in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB) (IFRS Standards) and in the manner required by the Companies and Allied Matters Act 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 08 April 2025

Details of the Company's accounting policies, including changes thereto, are included in Note 3.

**2.2 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 at each reporting date:

Item	Measurement basis
Non-derivative financial instruments	Initially measured at fair values and subsequently measured at amortized cost
Inventories	Lower of cost and net realizable value
Derivative	financial instruments Fair value
Provisions	Present value of the obligation

**2.3 Functional and presentation currency**

These financial statements are presented in Naira (N'000), which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand, unless otherwise indicated.

**2.4 Use of estimates and judgments**

In preparing these financial statements, management had made judgements and estimates about the future, including, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

**a) Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 12	-	Revenue recognition - whether revenue from sales of goods is recognised over or at point in time.
Note 3.8(i)	-	Impairment of financial assets
Note 3.8(ii)	-	Impairment of non-financial assets.



#### **b) Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at 31 December 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- |             |   |   |
|-------------|---|---|
| Note 3.10   | - | Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources. |
| Note 3.8(i) | - | Measurement of ECL allowance for trade receivables: key assumptions in determining the weighted average loss rate.                          |

## **2.5 Measurement of fair values**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has a framework with respect to the measurement of fair values. Executive management is responsible for overseeing the process or determination of fair values for assets and liabilities. When applicable, further information about the assumptions made in determining fair value is disclosed in the notes specific to that asset or liability.

The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses and documents the evidence obtained from the third parties, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- |          |  |
|----------|--|
| Level 1: | quoted prices (unadjusted) in active markets for identical assets or liabilities.  |
| Level 2: | inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). |
| Level 3: | inputs for the asset or liability that are not based on observable market data (unobservable inputs).  |

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

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

Further information about the assumptions made in measuring fair values is included in Financial risk management and fair values (Note 25).

## **3 Changes in accounting policies**

### **New or revised standards or interpretations**

#### **3.1 New standards, amendments and interpretations issued effective from 01 January 2024**

The Company adopted the following standards and amendments that are effective for the first time in 1 January 2024:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

These amendments do not have a significant impact on these financial statements and therefore the disclosures have not been made.

### **3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company.**

At the date of authorisation of these financial statements, certain new IFRS standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the company. Management anticipates that all of the relevant pronouncements will be adopted in the company's accounting policies for the first period beginning after the effective date of the pronouncement.

Information on new standards, amendments and interpretations that are expected to be relevant to the company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the company's financial statements.

Other Standards and amendments that are not yet effective and have not been adopted early by the company include:

#### **3.2.1 Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Effective on or after January 1, 2026.**

New guidance has been added to IFRS 9 to specifically address when a financial liability should be derecognised when it is settled by electronic payment. Previously, an entity was required to wait until the settlement date of the transaction to discharge the liability, but the new guidance allows for the liability to be discharged before the settlement date if:

- the payment cannot be withdrawn, stopped or cancelled
- the entity no longer has the practical ability to access the cash, and
- settlement risk associated with the electronic payment system is insignificant.

#### **3.2.2 IFRS 18 Presentation and Disclosure in Financial Statement Effective for on or after 1 January 2027.**

IFRS 18 introduces newly defined 'operating profit' and 'profit or loss before financing and income tax' subtotals and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities: operating, investing and financing.

Under IFRS 18, companies are no longer permitted to disclose operating expenses only in the notes. A company presents operating expenses in a way that provides the 'most useful structured summary' of its expenses by either:

- nature
- function; or
- using a mixed presentation

If any operating expenses are presented by function, then new disclosures apply.

IFRS 18 also requires some 'non-GAAP' measures to be reported in the financial statements. It introduces a narrow definition for Management-defined Performance Measures ("MPMs"), requiring them to be:

- a subtotal of income and expenses;
- used in public communications outside the financial statements; and
- reflective of management's view of financial performance.

For each MPM presented, companies need to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.

#### **3.2.3 IFRS 19 Subsidiaries without Public Accountability Disclosures effective 1 January 2027**

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date:

- it does not have public accountability
- its parent produces consolidated financial statements under IFRS Accounting Standards available for public use.

A subsidiary applying IFRS 19 is required to clearly state in its explicit and unreserved statement of compliance with IFRS Accounting Standards that IFRS 19 has been adopted.

### 3.2.4 Lack of Exchangeability (Amendments to IAS 21) Effective from 01 January 2025

In August 2023, the IASB amended IAS 21 'The Effects of Changes in Foreign Exchange Rates' to clarify the approach that should be taken by preparers of financial statements when they are reporting foreign currency transactions, translating foreign operations, or presenting financial statements in a different currency, and there is a long-term lack of exchangeability between the relevant currencies.

The amendments include both updates to guidance to assist preparers in correctly accounting for foreign currency items and increases the level of disclosure required to help users understand the impact of a lack of exchangeability on the financial statements. The amendments:

- introduce a definition of whether a currency is exchangeable, and the process by which an entity should assess this exchangeability.
- provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable
- provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable
- require additional disclosures in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability, including the nature and financial impact of the lack of exchangeability, and details of the spot exchange rate used and the estimation process.
- liquidity risk information.

The additional disclosure requirements provide useful information about the additional level of estimation uncertainty, and risks arising for the entity due to the lack of exchangeability.

### 3.2.5 Annual Improvements to IFRS Standards –Volume 11- Effective 1 January 2026

The volume of improvements, the IASB makes minor amendments to IFRS 9 Financial Instruments and to a further four accounting standards. The amendments to IFRS 9 address:

- a conflict between IFRS 9 and IFRS 15 Revenue from Contracts with Customers over the initial measurement of trade receivables; and
- how a lessee accounts for the derecognition of a lease liability under paragraph 23 of IFRS 9

The amendments to IFRS 9 require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15. They also clarify that when lease liabilities are derecognised under IFRS 9, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

## 3.3 Basis of Consolidation

### (i) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are modified where necessary to align them with the policies adopted by the Company. It is the Company's policy to carry the investment in its subsidiary using the cost model.

### (ii) Loss of control

When the Company loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### (iii) Impairment assessment of Investment in Subsidiary

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (investment in subsidiaries) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, 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 or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

### 3.4 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss and presented within finance costs/income.

Gains on foreign exchange transactions presented in Other income in profit or loss, primarily represents gains arising from disposal of foreign denominated cash and cash equivalent balances during the year

### 3.5 Financial instruments

#### (i) Recognition and initial measurement

##### Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

#### (ii) Classification and subsequent measurement

##### Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

##### Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

it is held within a business model whose objective is to hold assets to collect contractual cash flows; and  
its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument (financial assets) held by the Company are presented below:

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortized cost.

Cash and cash equivalents are classified as financial assets subsequently measured at ammortised cost.

##### Financial assets: Business model assessment

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

The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

how the performance of the portfolio is evaluated and reported to the Company's management;

the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks

#### **Financial assets: Business model assessment (cont'd)**

how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### **Derivative Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

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

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

contingent events that would change the amount or timing of cash flows;

terms that may adjust the contractual coupon rate, including variable rate features;

prepayment and extension features; and

terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

#### **Derivative financial assets: Subsequent measurement and gains and losses**

##### ***Financial assets at amortised cost***

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

#### **Derivative financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost and are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

The specific accounting policies for the classification, recognition and measurement of each type of financial instruments (financial liabilities) held by the Company are presented below:

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at Loans and borrowings are classified as financial liabilities subsequently measured at amortized cost.

#### **(iii) Derecognition**

##### **Financial assets**

The Company derecognises a financial asset when:

the contractual rights to the cash flows from the financial asset expire; or

#### **Financial assets cont'd**

it transfers the rights to receive the contractual cash flows in a transaction in which either

- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

#### **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### **(iv) Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### **(v) Cash and cash equivalents**

Cash and cash equivalents as shown in the statement of financial position comprise cash in hand or bank, deposit held at call with banks and time deposits which are readily convertible to cash (original maturity of less than 90 days).

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of statement of cash flows.

#### **(vi) Share capital**

##### **Ordinary shares**

The Company has only one class of shares; ordinary shares.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares or are recognised as a deduction from equity, net of tax from the proceeds. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

### **3.6 Property, plant and equipment**

#### **(i) Recognition and measurement**

The cost of an item of property, plant and equipment shall be recognised as an asset if and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably
- (c) Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress and are not depreciated until they are ready for intended use and transferred to the relevant asset class. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Company has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs on qualifying assets.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus in the asset revaluation reserve in respect of an asset is transferred directly to accumulated profits on retirement or disposal of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

## Property, plant and equipment

### (i) Recognition and measurement cont'd

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in profit or loss.

### (ii) Subsequent costs

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

### (iii) 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 and Capital work-in-progress are not depreciated.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The estimated useful lives for the current and comparative years are as follows:

Building	20 years
Plant & Machinery	7 years
Office Equipment	3 years
Furniture & fittings	3 years
Motor vehicles	7 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

## 3.7 Leases

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.

### As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Company uses the lessee's incremental borrowing rate as the discount rate.

## Leases cont'd

The Company determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

Fixed payments, including in-substance fixed payments;

Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

amounts expected to be payable under a residual value guarantee; and

The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

### **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, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **As a lessor**

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as 'other income'.

## **3.8 Prepayments and advances**

Prepayments and advances 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.

## **3.9 Inventories**

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost allocation method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The basis of costing for each inventory class is as follows:

Finished Goods	Costs to completions Method
Raw Materials	Cost Method (FIFO)

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.



### 3.10 Impairment

#### (i) Non-derivative financial assets

The Company recognises loss allowances for expected credit losses ('ECLs') on financial assets measured at amortised costs.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs : these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs : these are ECLs that result from all possible default events over the expected life of a financial instrument.

#### **Simplified approach**

The Company applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

#### **General approach**

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

#### **Measurement of ECLs**

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

#### **Credit-impaired financial assets**

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

### **Presentation of allowance for ECLs in the statement of financial position**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

#### **Write-off**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. The Company expects no significant recovery from the amount written off.

However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due..

#### **(ii) Non-financial assets**

The carrying amounts of the Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

## **3.11 Employee benefits**

### **(i) Defined contribution plans**

A defined contribution plan is a post-employment benefit 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. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the period during which services are rendered by employees.

In line with the provisions of the Pension Reform Act 2014, the Company has instituted a defined contribution pension scheme for its staff. Employee contributions to the scheme are funded through payroll deductions while the Company's contribution is charged to the statement of profit or loss. The Company and employees contribute 10% and 8% respectively of the employees' basic, housing and transport allowance to the scheme. These employees' entitlements are calculated based on their actual pensionable salaries paid to various pension fund administrators (PFAs) chosen by the employees.

### **(ii) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### **(iii) Termination Benefits**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting period, then they are discounted.

## **3.12 Provisions, Contingent liabilities and contingent assets**

### **(a) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle 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. The unwinding of the discount is recognised as finance cost.

### **(b) 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 recognized 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 recognized 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.

### **(c) Contingent Assets**

Contingent asset is a potential economic benefit that is dependent on some future event(s) largely out of a company's control. Contingent assets are not recognised. However, when the realisation of a contingent asset is virtually certain, it is no longer considered contingent and is recognised as an asset in the statement of financial position. The asset is recognised in the period in which the change from contingent asset to asset occurs.

### **3.13 Other Income**

Other income is measured based on the fair value of the consideration received or receivable and is recognized when the company has performed its obligation for the income and collection of the related income is probable.

Gains on foreign exchange transactions presented in Other income in profit or loss, primarily represents gains arising from disposal of foreign denominated cash and cash equivalent balances during the year

### **3.14 Recognition of expenses as cost of sales and selling, general & administrative expenses**

Expenses are recognised on an accrual basis regardless of the time of cash outflows.

Expenses are recognised in the income statement when a decrease in future economic benefits related to a decrease in an assets or an increase of a liability has arisen that can be measured reliably.

Expenses are recognised in the same reporting period when they are incurred in cases when it is not probable to directly relate them to particular income earned during the current reporting period and when they are not expected to generate any income during the coming years.

Expenses that are not related to the income earned during the reporting period, but expected to generate future economic benefits, are recorded in the financial statements as assets.

The cost of sales of the company is the accumulated total of all costs used to create a product or to provide a service, which has been sold during the year. It comprises amongst others direct labor, direct materials, transport and other costs that are variable with the making and delivering the product or providing the service.

Selling, general and administrative expenses comprise all operating expenses of the company that are not included in the cost of sales.

### **3.15 Finance income and finance costs**

Finance income and finance costs include interest income, interest expense and the foreign currency gain or loss on financial assets and financial liabilities.

Finance income is recognized as it accrues in the statement of profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, fair value losses on financial assets/liabilities at fair value through profit or loss, net foreign exchange loss, and reclassifications of net losses previously recognized in other comprehensive income.

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.

### **Finance income and finance costs cont'd**

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

## **3.16 Income tax**

### **Income tax**

Income tax expense comprises current tax (company income tax, tertiary education tax and Nigerian Police trust fund levy) and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Company had determined that interest and penalties relating to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

#### **(a) Current tax**

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates statutorily enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date 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).

Total amount of tax payable under Company Income Tax Act is determined based on the higher of two components namely Company Income Tax (based on taxable income (or loss) for the year); and minimum tax. Taxes based on profit for the period are treated as income tax in line with IAS 12.

#### **(b) Deferred Tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for:

Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting or taxable profit or loss. Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax is recognized in profit or loss account except to the extent that it relates to a transaction that is recognized directly in equity. A deferred tax asset is recognized for unused tax losses, unused tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the amount will be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

**(c) Minimum tax**

Company is subject to the Finance Act 2020 which amends the Company Income Tax Act (CITA). Total amount of tax payable under the Finance Act, 2020 is determined based on the higher of two components.

Company Income Tax (based on taxable income (or loss) for the year); and

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws. Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The liability is recognised as part of income tax payable in the statement of financial position.

**3.17 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.

**3.18 Statement of cashflows**

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in actual cash flows such as translation differences, fair value changes and other non-cash items, are eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in the financing activities of the statement of cash flows. Finance cost paid is also included in financing activities while interest income received is included in investing activities.

#### 4 Revenue

	2024 ₦'000	2023 ₦'000
Revenue from contracts with customers	140,225,944	30,400,643

	Timing of Revenue Recognition	Within Nigeria ₦'000	Outside Nigeria ₦'000	Total ₦'000
<b>31 December 2024</b>				
Sale of Agro Commodities	Upon transfer of title to goods	62,974,691	77,251,253	140,225,944
<b>31 December 2023</b>				
Sale of Agro Commodities	Upon transfer of title to goods	3,430.00	30,397,213	30,400,643

There are no other revenue items outside IFRS 15

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

#### Sales of goods

##### Nature of goods or services

The Company is involved in the processing and export of agricultural commodities.

##### Performance Obligation

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. Performance obligation is satisfied at a point in time upon delivery of the products and payment is generally due within 180 days from delivery.

5 Other Income	2024 ₦'000	2023 ₦'000
Expenses Reimbursement	-	250,015
Export grant incentive	-	94,702
Insurance claim	10,983	48,969
RT 200 Incentive	-	481,318
Lease Rent Vehicle	529,108	
Exchange gain/(loss)	158,679	-
Naira Premium - Sales	180,629	30,152,336
	<b>879,399</b>	<b>31,027,340</b>

(i) Realised gain on foreign exchange transactions primarily represents gains from disposal of foreign denominated cash and cash equivalent balances during the year.

6.1 Cost of Goods Sold	2024 ₦'000	2023 ₦'000
Raw Material Cost	86,648,891	26,780,582
Direct Expenses	8,808,145	2,785,156
	<b>95,457,035</b>	<b>29,565,738</b>

<b>6.2 Selling &amp; Distribution Expenses:</b>	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Business Promotions	41,872	2,433
Travels	411,639	150,423
Vehicle Expenses	118,155	81,033
Visitor's welfare	53,203	27,008
	<b>624,868</b>	<b>260,897</b>

<b>6.3 Administrative Expenses:</b>	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Audit Fee	40,850	48,000
Bank Charges	291,758	393,085
Maintenance	49,894	13,717
Management Fees	472,703	313,182
Professional & Consultancy	223,998	139,396
Levies & Rates	197,529	39,646
Depreciation	986,217	20,510
Energy	60,789	30,369
Insurance	148,128	64,982
Rent	38,875	6,355
Printing And Stationery	20,443	7,776
Communication	137,276	62,314
Staff Costs	252,614	28,754
	<b>2,921,072</b>	<b>1,168,085</b>

<b>6.4 Impairment Loss</b>		
Impairment loss on trade receivables	1,051,972	537,228
	<b>1,051,972</b>	<b>537,228</b>

## 7 Directors' remuneration and employee costs

### 7.1 Directors' remuneration

No remuneration was paid to the Chairman and other non-executive directors during the year (2023: Nil). No remuneration was paid to executive directors during the year (2023: Nil).

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Highest paid director (executive)	-	-
Other directors (executives)	-	-
	<b>-</b>	<b>-</b>

The number of executive directors (excluding the highest paid director), who received emoluments, were within the following range.

	<b>2024</b>	<b>2023</b>
	<b>Number</b>	<b>Number</b>
₦1,000,000- ₦2,000,000	-	-
<b>7.2 Personnel expenses</b>		

	<b>2024</b>	<b>2023</b>
	<b>₦'000</b>	<b>₦'000</b>
Personnel expenses comprise:		
Salaries, wages and allowances	138,798	27,687
*Other staff related expenses	113,816	1,066
	<b>252,614</b>	<b>28,753</b>

7.3 The number of full-time persons employed by the Company by function as at 31 December was as follows:

	2024 Number	2023 Number
Production	56	1
Supply Chain	8	-
Sales and Marketing	2	2
Administration	28	1
	<b>94</b>	<b>4</b>

7.4 Number of employees of the Company as at year end, whose duties were wholly or mainly discharged in Nigeria, received annual remuneration (excluding pension contributions and certain benefits) in the following ranges:

	2024 Number	2023 Number
Salary Range		
Below ₦400,000	57	1
₦400,001 - ₦500,000	1	-
₦500,001 - ₦600,000	2	2
₦600,001 and above	34	1
	<b>94</b>	<b>4</b>

## 8 Finance income and Finance costs

### a) Finance Cost

Finance cost comprise the following:

	2024 ₦'000	2023 ₦'000
Interest expense on loans and borrowings	20,814,229	8,661,269
Insurance Expenses - Finance Cost	432,945	-
Net foreign currency loss		6,896,139
	<b>21,247,173</b>	<b>15,557,408</b>

Finance income comprise the following:

	2024 ₦'000	2023 ₦'000
Interest income on cash and cashequivalents	5,526	(12,348)
	<b>5,526</b>	<b>(12,348)</b>

### Net finance costs

	<b>21,247,173</b>	<b>15,557,408</b>
--	-------------------	-------------------

Reconciliation of interest received in cash flow

	2024 ₦'000	2023 ₦'000
Interest Received	5,526	(12,348)
	<b>5,526</b>	<b>(12,348)</b>

	2024 ₦'000	2023 ₦'000
Realised loss	-	3,675,839.00
Unrealised loss	-	3,220,300.00
	<b>-</b>	<b>6,896,139.00</b>



## 9 Tax expense

The tax charge has been computed after adjusting for certain items of expenditure and income, which are not deductible or chargeable for tax purposes, and comprises:

	2024 ₦'000	2023 ₦'000
<b>Current tax expense</b>		
Income Tax	314,873	
Police Trust Fund	1,023	718
	<b>315,896</b>	<b>718</b>
<b>Deferred tax expense</b>		
Origination of temporary differences	2,384,496	992,386
Tax expense on continuing operations	<b>2,700,392</b>	<b>993,104</b>

By virtue of Section 23 (q) of the Companies Income Tax Act, the Company is exempt s exempt from company income taxes which states that the profits of any Nigerian company in respect of goods exported from Nigeria are exempt from company income taxes if the proceeds of such exports are used for the purchase of raw materials, plant equipment, and spare parts.

### Reconciliation of effective tax rate

<b>Profit before tax</b>	<b>19,808,748</b>	<b>14,350,975</b>
Tax using Nigeria tax rate of 33%	5,942,624	4,305,293
Non-taxable income	594,262	430,529
Police Trust Fund	1,023	718
Non-deductible expenses	(39,974)	(24,404)
Tax concession and exemption	(2,528,107)	(1,486,416)
Change in unrecognised temporary	(1,584,310)	(2,232,616)
	<b>2,385,519</b>	<b>993,104</b>

### The movement in current income

At 1 January	905	188.00
Minimum Tax	314,873	
Nigeria Police Trust Fund	1,023	717.00
Payment during the year	(905)	
	<b>315,896</b>	<b>905</b>

## 9 Profit before taxation is stated after charging:

	2024 ₦'000	2023 ₦'000
Depreciation on PPE (Note 11)	3,527,325	81,078
Impairment on Trade Receivables	1,051,972	-
Auditors' remuneration (Note 6)	40,850	48,000
Employee costs (Note 7.2)	252,614	28,753
Directors' remuneration (Note 7.1)	-	-

There was no non-audit fees paid to Grant Thornton Nigeria in the year ended 31 December 2024 (2023:Nil)

## 10 Basic/Diluted profit/earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding at the end of the year.

Diluted earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares adjusted for dilution outstanding during the year. There are no potentially dilutive events; hence basic EPS and diluted EPS are the same.

	2024 ₦'000	2023 ₦'000
Profit for the year attributable to	<b>17,108,356</b>	<b>13,357,871</b>
Weighted average number of ordinary	<b>12,110,092</b>	<b>4,500,000</b>
Basic/diluted profit/earnings per share	<b>1</b>	<b>3</b>

**Robust International Commodities Limited**

**11. Plant Property and Equipment**

	Freehold Land (Nair'000)	Building (Nair'000)	Plant & Machinery (Nair'000)	Other Equipment (Nair'000)	Office Equipment (Nair'000)	Furniture & Fittings (Nair'000)	Motor Vehicles (Nair'000)	Capital Work in Progress (CWIP) (Nair'000)	Total (Nair'000)
<b>Cost or Valuation</b>									
At 1st January 2023	168,600	90,000	391,923	918	2,456	3,108	12,000		669,004
Additions	1,830,500	14,104,337	5,975,358		215,986	148,748	1,018,164		23,293,093
Reclassification	-	-	918,00	(918,00)		-	-		-
<b>At 31 Dec 2023</b>	<b>1,999,100</b>	<b>14,194,337</b>	<b>6,368,199</b>	<b>-</b>	<b>218,442</b>	<b>151,855</b>	<b>1,030,164</b>	<b>-</b>	<b>23,962,098</b>
Additions	812,245	14,734,987	5,955,223	-	231,422	552,502	20,665,092	2,188,138	45,139,610
Disposal	-	-	-	-	-	-	-	-	-
<b>At 31 Dec 2024</b>	<b>2,811,345</b>	<b>28,929,325</b>	<b>12,323,423</b>	<b>-</b>	<b>449,864</b>	<b>704,358</b>	<b>21,695,255</b>	<b>2,188,138</b>	<b>69,101,708</b>
<b>Accumulated Depreciation</b>									
At 1st January 2023	-	36,000	116,067	316	470	691	1,200		154,743
Depreciation	-	4,475	56,093	(0)	2,370	1,007	17,133		81,078
Reclassification	-	-	316	(316)		-	-		-
<b>Acc Dep as at 31 Dec 2023</b>	<b>-</b>	<b>40,475</b>	<b>172,476</b>	<b>(0)</b>	<b>2,840</b>	<b>1,698</b>	<b>18,333</b>	<b>-</b>	<b>235,821</b>
Depreciation	-	1,139,656	1,401,453	0	117,854	175,426	692,937		3,527,325
Reversal due to disposal	-	-	-	-	-	-	-		-
<b>Acc Dep as at 31 Dec 2024</b>	<b>-</b>	<b>1,180,131</b>	<b>1,573,928</b>	<b>(0)</b>	<b>120,694</b>	<b>177,124</b>	<b>711,269</b>	<b>-</b>	<b>3,763,146</b>
<b>Net Book Value as at 31 Dec 2023</b>	<b>1,999,100</b>	<b>14,153,862</b>	<b>6,195,723</b>	<b>0</b>	<b>215,602</b>	<b>150,157</b>	<b>1,011,831</b>	<b>-</b>	<b>23,726,276</b>
<b>Net Book Value as at 31 Dec 2024</b>	<b>2,811,345</b>	<b>27,749,194</b>	<b>10,749,494</b>	<b>0</b>	<b>329,170</b>	<b>527,234</b>	<b>20,983,986</b>	<b>2,188,138</b>	<b>65,338,562</b>

## 12 Investment in Subsidiary

	2024 ₦'000	2023 ₦'000
Unquoted equity shares, at cost	10,000.00	10,000.00

Details of the subsidiary is as follows:

### *Held by Robust International Commodities Limited*

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Effective equity interest held by the Company	
			2024 %	2023 %
Robust Logistics International Limited	Provision of Logistics and transportation solutions	Nigeria	100	100

On the 28th of September 2023, Robust International Pte. Ltd. with a board resolution transferred the ₦10 million shares held in Robust Logistics International Limited to Robust International Commodities Limited making the company the major shareholder in Robust Logistics.

Accordingly, the Company has applied the consolidation exemptions of applicable financial reporting standards (IFRS10) in not preparing consolidated financial statements of the Company and Robust Logistics International Limited. Robust Logistics International Limited is not consolidated by the Company because the consolidation is done by ultimate Parent Company, Robust International Pte Ltd.

## 13 Inventories

	2024 ₦'000	2023 ₦'000
Raw Materials	10,937,828	16,423,130
Finished Goods	10,623,812	9,585,890
Consumables	127,853	171,728
Trading stocks in hand	<b>21,689,494</b>	<b>26,180,748</b>

\*\* Included in the consumables are packaging materials, diesel, and testing chemicals.

In 2024, the value of raw materials, packaging materials and consumables, recognized in cost of sales during the year amounted to N86.6 billion (2023: 26.7 Billion).

Reconciliation of changes in inventories in the movement of cash flows is as follows:

	2024 ₦'000	2023 ₦'000
At 1 January	26,180,748	8,384,030
(Decrease)/Increase in inventory	(4,491,254)	17,796,718
At 31 December	<b>21,689,494</b>	<b>26,180,748</b>

## 14 Trade and other receivables

	2024 ₦'000	2023 ₦'000
Trade receivables	49,686,992	27,101,816
Impairment allowance on trade receivables	(2,094,032)	(1,042,059)
	47,592,960	26,059,757
Intercompany receivables	6,574,976	8,088,580
Other receivables*	310,303	100,846
	<b>54,478,240</b>	<b>34,249,183</b>

\*Other receivables comprise of receivables due from other parties.

The Company's exposures to credit and currency risks, and impairment losses for trade and other receivables are disclosed in Note 25.

# 15 Prepayment and Advances

	2024 ₦'000	2023 ₦'000
Other Prepaid **	2,458,818	1,114,044
Advances to Suppliers *	24,991,382	23,128,778
	<b>27,450,200</b>	<b>24,242,822</b>

\*The Company makes advance payment to vendors for which goods and assets have not been delivered as at 31 December 2024.

\*\* Other Prepaid expenses includes prepaid interest on commercial papers, prepaid Rents and other services to which the company is yet to received benefit be amount paid

There are no non-current prepayment as at year end (2023: Nil).

# 16 Cash and cash equivalents

Cash and cash equivalents comprises of

	2024 ₦'000	2023 ₦'000
Cash in Hand	3,848	3,791
Bank Balances	21,295,005	5,241,076
	<b>21,298,853</b>	<b>5,244,867</b>

For the purpose of Statement of Cash Flows, Cash & Cash equivalents comprises the following at 31 December

	2024 ₦'000	2023 ₦'000
Cash and cash equivalents per Financial Statements	21,298,853	5,244,867
Bank Overdraft	(63,860)	(4,954,721)
<b>Cash &amp; Cash Equivalent per Statement of Cash Flows</b>	<b>21,234,993</b>	<b>290,146</b>

# 17 Share Capital and Reserves

## a) Issued and allotted ordinary shares

	2024 No. of shares (units)	2023 No. of shares (units)	2024 ₦'000	2023 ₦'000
<b>Fully issued and allotted ordinary</b>				
At 1 January	4,500,000,000	1,500,000,000	4,500,000	1,500,000
Issue of new shares	7,610,091,550	3,000,000,000	7,610,092	3,000,000
At 31 December	<b>12,110,091,550</b>	<b>4,500,000,000</b>	<b>12,110,092</b>	<b>4,500,000</b>

## Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

## Issuance of ordinary shares

In 2024, the general meeting of shareholders approved the issue of 7,610,091,550 ordinary shares at an exercise price of NGN10 per share including NGN 9 premium.

## b ) Reserves

	2024 ₦'000	2023 ₦'000
Fair value day one gain or loss*		(2,823,775)
Share Premium	68,490,824	
	<b>68,490,824</b>	<b>(2,823,775)</b>

## Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Board regularly reviews the Company's capital management and makes adjustments to reflect economic conditions, business strategies and future commitment. There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally exposed capital requirements.

The company monitors capital using adjusted debt to equity ratio. At the end of the reporting period, the Company's adjusted debt to equity ratio was as follows:

	2024 ₦'000	2023 ₦'000
Total Liabilities	76,122,915	95,544,509
Less: Cash and cash equivalents	(21,298,853)	(5,244,867)
Adjusted Net debt	145,123,704	90,299,642
Total Equity	114,142,434	18,109,387
Adjusted net debt to equity ratio	1.27	4.99

## 18 Loans and borrowings

	2024 ₦'000	2023 ₦'000
<b>Non-current liabilities</b>		
Term Loan from Head Office	1,831,373	19,588,476
	<b>1,831,373</b>	<b>19,588,476</b>
<b>Current liabilities</b>		
Term Loan from Head Office		5,267,244
Bank loan	60,442,168	44,397,795
Commercial paper	6,314,857	16,906,588
Bank overdraft	63,860	4,954,721
Accrued interest	2,410,647	1,532,908
	<b>69,231,532</b>	<b>73,059,256</b>
<b>Total Liabilities</b>	<b>71,062,905</b>	<b>92,647,732</b>

The Company's exposure to interest rate, foreign currency and liquidity risk related to loans and borrowings are disclosed in note 25.

# **18 Reconciliation of movements of liabilities to cash flows arising from financing activities**

	2024	2023
	N'000	N'000
Loans and borrowings		
Balance at 1 January 2023	87,693,011	30,986,835
Additions	178,335,090	124,039,419
Interest expense	19,283,609	7,966,990
Interest paid	(16,872,962)	(6,435,238)
Principal paid	(193,802,158)	(76,691,458)
Fair value day one gain or loss (a)	(2,823,775)	2,823,775
Unrealised exchange loss	(813,769)	5,002,688
At 31 December	70,999,046	87,693,011

## **Bank Overdrafts**

At January	4,954,721	4,347,373
Additions	63,860	607,348
Paid	(4,954,721)	
Interest expense	1,530,620	694,279
Interest paid	(1,530,620)	(694,279)
<b>At 31 December</b>	<b>63,860</b>	<b>4,954,721</b>

## **Loans and borrowings and bank**

<b>Overdrafts</b>		
At January	92,647,732	35,334,208
Additions	178,398,951	124,646,767
Interest expense (Note 6 (a))	20,814,229	8,661,269
Interest paid	(18,403,581)	(7,129,517)
Principal paid	(198,756,879)	(76,691,458)
Fair value day one gain or loss (a)	(2,823,775)	2,823,775
Unrealised exchange loss (Note 6.3)	(813,769)	5,002,688
At 31 December	<b>71,062,906</b>	<b>92,647,732</b>

## **Reconciliation of interest charge on loans and borrowings**

Interest expense on loans and borrowings	19,283,609	7,966,990
Interest expense on bank overdrafts	1,530,620	694,279
	<b>20,814,229</b>	<b>8,661,269</b>

# **19 Trade and other payables**

	2024	2023
	N'000	N'000
Trade payables	58,159	101,380
Other payables	1,205,005	1,251,328
Statutory payables	104,067	51,917
Deposits from customers		498,861
	<b>1,367,231</b>	<b>1,903,486</b>

\* Other payable comprises of provision for project expense, audit fee and other services enjoyed within the year in which payment to the various vendors are yet to be made.

\*Statutory payables are provisions for business premises levy, Development levy, staff statutory obligations etc

The Company's exposures to currency risk and to liquidity risk related to trade and other payables are disclosed in note 25.

## 20 Related Parties

### Related Parties Disclosure

Related parties are entities considered to have the ability to control or exercise influence over the Company, its operational decisions and business transactions. The definition includes key management personnel of the Company, major investors and subsidiaries of ultimate parent company Robust International PTE. LTD. Management staff comprises of Directors that are involved in the day to day running of the business.

Key management personnel, along with individuals connected to them, are also considered related parties. The definition of key management includes the close family members of key personnel and any entity over which key management has control. Key management personnel are identified as the executive and non-executive directors of the Company. Close family members are those who may be expected to influence, or be influenced by, the individual in their interactions with the Company. Transactions with related parties were conducted at arm's length during the year.

The immediate and ultimate parent, as well as controlling party of the Company is Robust International Pt. Ltd. Incorporated in Singapore. There are other companies that are related to Robust International Commodities Limited through common shareholdings and directorship.

### Related Parties Transactions

Related Parties	Relationship	Nature of Transactions
ROBUST INTERNATIONAL PTE LIMITED, SINGAPORE	Parent Company	Assets Transfer/Loan Financing, Project Expense
ROBUST LOGISTIC INTERNATIONAL LIMITED, NIGERIA	Subsidiary Company	Lease Rent/Transport Charges
ROBUST INTERNATIONAL (UAE)	Fellow Subsidiary	Bills Payment
Mr. Naarayan Raaghavan	Managing Director	Nil
Mr. Vishanth Narayan	Director	Nil
Mrs. Oluwaseun Ife Shobiye	Director	Nil
Mr. Dishan Vijay Pal	Chief Executive Officer	Salaries
Mr. Manish Kumar Ashokbhai Sah	Deputy. Chief Executive Officer	Salaries
Mr. Sreenivas Alagonda	Chief Financial Officer	Salaries

### Amount due to related Parties

Name	Amount ₹'000
ROBUST INTERNATIONAL PTE LIMITED, SINGAPORE	1,831,373
ROBUST INTERNATIONAL (UAE)	150,386
	<b>1,981,759</b>

### Amount due from related Parties

Name	Amount ₹'000
ROBUST INTERNATIONAL PTE LIMITED, SINGAPORE	6,146,124
ROBUST LOGISTICS INTERNATIONAL LTD.	428,851
	<b>6,574,976</b>

## 21 Deferred Tax liabilities

Deferred tax is calculated using the statutory income tax rate of 33% (2023: 33%). The movement on the deferred tax balance is as follows:

The movement in deferred tax is as follows:

	2024 N'000	2023 N'000
Deferred tax (assets) / liabilities:		
At 1 January	992,386	-
Charges to income statement	2,384,496	992,386
At 31 December	3,376,882	992,386

## 22 Contingencies

There is no contingent liability arising as a result of legal litigation as at period end (2023: Nil).

## 23 Financial commitments

The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the state of affairs of the Company, have been taken into consideration in the preparation of these financial statements.

## 24 Subsequent Events

No material subsequent events have occurred that would impact the financial position, performance, or disclosures of the company as of the reporting date.

## 25 Financial instruments – Fair values and risk management

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

- ☐ 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.

### Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies which are established to identify and analyze the risks faced by the Company, to set appropriate risk limit and controls, and monitor risks and adherence to limits. Management reports regularly to the Board of Directors on its activities.

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.

### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss to the Company.

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions.

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



	2024	2023
Credit risk cont'd	₦'000	₦'000
Trade and other Receivables (Note 7)	54,478,240	34,249,183
Cash and cash equivalents	21,298,853	5,244,868
	<b>75,777,093</b>	<b>39,494,051</b>

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Company's past default experience does not show significantly different loss patterns for different customer segments, the allowance matrix is not further distinguished between the different customer bases. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs on-going credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Company has a credit policy in place which establishes credit limits for customers and continually monitor their balances on an ongoing basis. The credit term granted by the Company to the customers is 180 days. The maximum exposure to credit risk for trade receivables and related impairment losses at the reporting date was:

#### Impairment losses

	2024	2023
	₦'000	₦'000
Trade Receivables (Note 7)	49,686,992	27,101,816
Allowance for expected credit loss	(2,094,032)	(1,042,059)
	<b>47,592,960</b>	<b>26,059,757</b>

The aging of trade receivables and related impairment allowances for the Company at the reporting date was:

	Weighted average loss rate	Outstanding balance	Impairment	Net balance	Credit impaired
	%	₦'000	₦'000	₦'000	
<b>31 December 2024</b>					
1 to 30 days	1%	10,279,526,001	102,795,260	10,176,730,741	Yes
31 to 60 days	2%	9,054,480,376	181,089,608	8,873,390,769	Yes
61 to 90 days	4%	10,072,260,476	402,890,419	9,669,370,057	Yes
91 to 120 days	6%	10,760,097,055	645,605,823	10,114,491,232	Yes
121 to 180 days	8%	9,520,628,381	761,650,270	8,758,978,111	Yes
Above 181 days	100%		-	-	Yes
		<b>49,686,992,290</b>	<b>2,094,031,380</b>	<b>47,592,960,910</b>	
<b>31 December 2023</b>					
Not past due	0.0%	26,059,757		26,059,757	No
1 to 90 days	0.0%			-	No
91 to 180 days	0.0%			-	No
Above 180 days	100.0%	1,042,059	1,042,059	-	Yes
		<b>27,101,816</b>	<b>1,042,059</b>	<b>26,059,757</b>	

The writeback/impairment loss as at 31 December 2024 (31 December 2023) relates to several customers that are not expected to pay back their outstanding balances, mainly due to economic circumstances. The Company believes that the unimpaired amounts are still collectible, based on historic payment behaviour.

### Cash and cash equivalents

The Company held cash and cash equivalents of ₦21,298,853,102 at 31 December 2024 (2023: ₦5,244,867,701), which represents its maximum credit exposure on these assets. The Company mitigates its exposure to bank deposits and derivatives by selecting reputable banks with good credit ratings and a history of strong financial performance. Impairment on cash and cash equivalents and deposit for foreign currency has been measured on the 12-month expected loss basis and reflects the short term maturities of the exposures. The impairment loss was assessed as immaterial and hence not recognised at year end (2023: Nil).

### Other receivables and deposits

Impairment on other receivables and deposits has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its other receivables and deposits have low credit risk as there has been no significant increase in the risk of default on the receivables and deposits since initial recognition.

### 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 objective when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a clear focus on ensuring sufficient access to capital to finance growth and to refinance maturing debt obligations. As part of the liquidity management process, the Company has committed borrowing facilities such as import finance facilities and bank overdrafts that it can access to meet its liquidity requirements. The Company is also able to source funds from its parent Company as and when required. The above arrangements exclude the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In adopting a prudent liquidity risk management, the management places its available funds in current accounts with creditworthy and reputable financial institutions, namely the banks.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	Within 1 year	Within 1 to 5 years	More than 5 years
	₦'000	₦'000	₦'000	₦'000	₦'000
<b>31-Dec-24</b>					
Trade and other payables*	1,367,231		1,367,231		
Loans and borrowings	71,062,905		69,231,532	1,831,373	
	<b>72,430,137</b>	<b>-</b>	<b>70,598,764</b>	<b>1,831,373</b>	<b>-</b>
<b>2023</b>					
Trade and other payables*	1,903,486		1,903,486		
Loans and borrowings	92,647,732		73,059,256	19,588,476	
	<b>94,551,218</b>	<b>-</b>	<b>74,962,742</b>	<b>19,588,476</b>	<b>-</b>

\* excluding Statutory payments

### Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, 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.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The board of directors is responsible for setting the overall duration and interest management targets.

The Company's objective is to manage its interest rate exposure through careful borrowing profiling and use of heterogeneous borrowing sources.

The company's exposure to the risk of changes in market interest rates relates primarily to the Company's current liabilities and non-current liabilities with floating interest rates.

At the reporting date, the Company's exposure to market risk for changes in interest rates relates primarily to the Company's short-term deposits, cash and cash equivalents, and loans and borrowings.

At the reporting date, the interest profile of interest-bearing financial instruments, as reported to the management, was as follow:

	2024 ₦'000	2023 ₦'000
<b>Fixed rate instruments</b>		
Long Term Loan - Intercompany	1,831,373	24,855,721
<b>Variable rate instruments</b>		
Bank Overdraft	63,860	4,954,721
Commercial Papers	6,314,857	16,904,766
Short-Term borrowings	60,442,168	45,932,524
	<b>68,652,258</b>	<b>92,647,732</b>

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at FVTPL. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

### Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 50 basis points (i.e. 0.5%) in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below.

The sensitivity analysis below has been determined based on the exposure to interest rates for borrowings at the end of the reporting period. The sensitivity analysis includes only financial instruments exposed to interest rate risk which were recognised at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Impact on Profit or loss	
	50 bp Increase ₦'000	50 bp decrease ₦'000
<b>31 December 2024</b>		
Variable rate instruments	(343,261)	343,261
<b>31 December 2023</b>		
Variable rate instruments	(463,239)	463,239

## Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company, Naira. The currencies to which these transactions are primarily denominated is the US Dollar (US\$).

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 managing currency risk, the Company aims to reduce the impact of short-term fluctuations on earnings.

The Company monitors the movement in the currency rates on an ongoing basis.

## Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk as reported to the management based on its risk management policy is as follows:

	2024 US\$	2023 US\$
<b>Financial Assets</b>		
Cash and cash equivalents	9,374	19
Trade and other receivables	32,077	28,475
	<b>41,450</b>	<b>28,494</b>
<b>Financial Liabilities</b>		
Loans and borrowings	(6,700)	(4,400)
Trade and other payables	(1,182)	(23,147)
	<b>(7,882)</b>	<b>(27,547)</b>
Net exposure	<b>49,333</b>	<b>947</b>

The USD average NAFEX rate and reporting date rate was used for both 2023 and 2024.

	Average Rate		Spot Rate	
	2024	2023	2024	2023
US\$1	1,250.40	649.63	1,549.00	951.79

## Sensitivity analysis on foreign currency

A 10% percent weakening of the Naira, against the US dollar (US\$) at 31 December would have affected the measurement of financial instruments denominated in foreign currencies and affected profit or loss (no impact on equity) by the amounts shown below.

This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, interest rates, remain constant and ignores any impact of forecast sales and purchases.

	2024 N'000	2023 N'000
United States Dollar (10% weakening)	7,642	90

A 10% strengthening of the Naira against the US dollar (US\$) would have had the equal but opposite effect to the respective amounts shown above, on the basis that all other variables remain constant.

## Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		----- Carrying amount -----		
	Note	Amortised cost ₦'000	Other financial liabilities ₦'000	Total ₦'000
<b>31-Dec-24</b>				
<b>Financial assets measured at amortised cost</b>				
Trade and other receivables*	14	54,478,240	-	54,478,240
Cash and cash equivalents		21,298,853	-	21,298,853
<b>Financial liabilities not measured at fair value</b>				
Loans and borrowings	18	-	71,062,905	71,062,905
Trade and other payables <sup>#</sup>	19	-	1,367,231	1,367,231
<b>31-Dec-23</b>				
<b>Financial assets not measured at fair value</b>				
Trade and other receivables*	14	34,249,183	-	34,249,183
Cash and cash equivalents		5,244,867	-	5,244,867
<b>Financial liabilities not measured at fair value</b>				
Loans and borrowings	18	-	92,647,732	92,647,732
Trade and other payables <sup>#</sup>	19	-	1,903,486	1,903,486

\* Excludes advances to suppliers

<sup>#</sup> Excludes amount due to a director

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate %	Year of maturity	2024		2023	
				Carrying amount ₦'000	Facevalue ₦'000	Carrying amount ₦'000	Carrying amount ₦'000
Term Loan from Head Office	USD	14%	2028	1,831,373	1,831,373	1,831,373	24,855,721.00
Short-term borrowings	USD	14.38%	2025	10,378,300	10,378,300	10,378,300	4,294,826.00
Short-term borrowings	NGN	29% - 33.5%	2025	50,063,868	50,063,868	50,063,868	41,637,698.00
Commercial Papers	NGN	24.5% - 31%	2025	6,314,857	6,314,857	6,314,857	16,904,766.00
Bank Overdraft	NGN		2025	63,860	63,860	63,860	4,954,721.00
Total interest-bearing liabilities				68,652,258	68,652,258	92,647,732.00	92,647,732.00

#### Term Loan from Head Office

In 2024, the Company obtained a loan from Robust International Pte. Ltd. (parent company incorporated in the Republic of Singapore). The term loan from Head Office is primarily to finance the acquisition, construction and installation of buildings, machineries, and other ancillary assets as part of the Company's ongoing soyabeans processing plant. The loan amounted to ₦1,831 million at an interest rate of 14%. The loan was obtained for a tenor of 3 years. The accrued loan interest is repayable together with the 12 equal principal repayments over the 3 year tenor. The outstanding balance at amortised cost amounted to ₦1,831 million (2023: ₦22,032 million).

#### Short-term borrowings

The credit facilities are backed by the following securities:

- Personal guarantee of the directors; and
- Charge over the trade debtors' financed by the bank.

The weighted average effective interest rate is 24.38% (2023: 8.90%) per annum. Maturity periods for the short-term borrowings are less than 12 months.

#### Bank Overdraft

The bank overdraft reflects an overdrawn position in one of the accounts due to facility charges applied by the bank.