

NIGERIA EXPORT PROCESSING ZONES AUTHORITY

(Established Under The NEPZA Act No, 63 Of 1992)



FREE ZONE REGISTRY

FORM OF ANNUAL RETURNS

ANNUAL RETURNS OF LAGOS FREE ZONE COMPANY

In respect of the annual general meeting held on the _____

day of _____ in the year 2025
6TH FLOOR NIPDS, OFFICE TOWER, 23 ADEOLA

1. Registered Office Address: ODEKU STREET, VICTORIA ISLAND, LAGOS

2. Situation of Register of members & Debenture holders: _____

3. Particulars of Directors: AS PER ATTACHED

Surname: _____

Other Names: _____

Nationality: _____

Address: _____



4. Authorised share capital \$500,000,000 divided into \$500,000,000 shares of \$ 1 each
5. Issued share capital US\$ 223,745,243
6. Paid up capital US\$ 223,745,243
7. Particulars of indebtedness (if any) AS PER ATTACHED FINANCIAL STATEMENT
8. Financial year / Accounting year end 2024
9. Present members (shareholders) _____

Full Name (Surname First)	Nationality	Address	Shareholding
EUROCHEM CORPORATION LIMITED	SINGAPOREAN	1A INTERNATIONAL BUSINESS PARK, SINGAPORE	216,398,793
Q TRIANGLE LIMITED	NIGERIAN	12 IDOLU TAYLOR STREET, VI, LAGOS	186,550
AS PER ATTACHED SCHEDULE			7,159,900
NIGERIA EXPORT PROCESSING ZONES AUTHORITY			
03 MAR 2025			

We Certify That The Information Given Is Correct And In Accordance with the provision of NEPZA Act No. 63 of 1992

Director

Aladeji

Secretary

GFS CORPORATE SERVICES LIMITED

Sign [Signature]

Date _____

Presented for filing by:

Name: GFS Corporate Services Limited E-mail gfs@gfscs Ltd . Com

Address: No. 6 Broad Street, Lagos Island Date 24-2-25

Telephone No: +234 (1) 460 7890

LAGOS FREE ZONE ENTERPRISE
PARTICULARS OF DIRECTORS

S/N	NAME	Nationality	Address
1	Mohan K Vaswani	Singaporean	315 Ikoyi Crescent, Lagos
2	Harkishin Ghanshamdas Aswani	Singaporean	Flat 11, 315 Ikoyi Crescent, Lagos
3	Navin Nahata	Indian	Flat 2, 999D Danmola street, Victoria Island, Lagos
4	Dinesh Rathi	Indian	999D Danmole Street, Victoria Island, Lagos
5	Adesuwa Ladoja	Nigerian	Happy Haven Estate, 107 Close Banana Island, Victoria Island



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LAGOS FREE ZONE COMPANY

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



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Directors' Report

The Directors present their report on the affairs of the Company, together with the financial statements for the year ended 31 December 2024.

Legal form and principal activity

The Company was incorporated on 29 January 2002 as Lekki Export Processing Zone Limited. The status of the Zone was subsequently changed from Export Processing Zone to Free Trade Zone and the name was changed to Lagos Free Trade Zone Company in 2006 pursuant to Nigeria Export Processing Zones Act of 1992. Further, the company's name was changed to Lagos Free Zone Company in 2020 pursuant to Nigeria Export Processing Zones Act of 1992. The Company was granted the right to privately develop and manage the Lagos Free Zone, Itoke Village, Ibeju Lekki Local Government Area, Lagos State, Nigeria.

The Company commenced operation during the year 2008. Its current activities involve development of a business model and a vision plan for the zone, land development, construction of building and infrastructures, operating the Free Trade Zone and leasing of developed land to Enterprises registered within the Zone.

Results at a glance

The following is a summary of the Company's financial performance:

	2024 USD'000	2023 USD'000
Revenue for the year	19,341	13,850
Gross profit for the year	19,141	13,669
Gross Profit %	99%	99%
Profit for the year	19,178	30,524
Profit %	99%	220%
Net Equity	342,562	323,384



Directors and their interests

The Directors who served during the year at 31 December 2024 are as follows:

Name	Nationality
Mohan K Vaswani	Singaporean
Harkishin Ghanshamdas Aswani	Singaporean
Navin Nahata	Indian
Dinesh Rathi	Indian
Adesuwa Ladoja	Nigerian

None of the directors has notified the Company of any interest in contracts with the Company.

Property, plant and equipment

Information relating to changes in property, plant and equipment is disclosed in Note 13 to the financial statements.

Directors' Report (cont'd)

Analysis of shareholdings

The names of the shareholders and the allotted holdings, which has been fully paid up as at 31 December 2024 are as follows:

Name of Shareholder	Class B share of USD 1 each			
	2024		2023	
	No. of Shares	%Holding	No. of Shares	%Holding
Eurochem Corporation Pte. Ltd.	216,398,793	96.72%	216,398,793	96.72%
Minority Shareholders	7,346,450	3.28%	7,346,450	3.28%
	223,745,243	100.00%	223,745,243	100.00%

Employee consultation and training

The Company maintains effective communication with all its employees who, subject to practical considerations, are consulted on, and involved in decisions that affect their jobs and prospects.

Employment of disabled persons

The Company currently have two disabled persons in its employment. Applications for employment by disabled persons are always fully and fairly considered, having regard to the aptitude and abilities of each applicant. In the event of any employee becoming disabled in the course of employment, every effort will be made to ensure that his/her employment with the company continues and that appropriate training is arranged.

Health, safety and welfare at work

The Company places a high premium on the health, safety and welfare of its employees in their place of work. To this end, the Company has arranged insurance policies to provide adequate medical cover for its employees.

Sustainability

We are in the midst of the intensifying triple planetary crisis of climate change, biodiversity & nature loss, and pollution & waste. A triple crisis that threatens human health, prosperity, equality and peace – as we have seen only too clearly in COVID-19. A triple crisis that also threatens the operations of businesses, big and small, across the globe. In the Lagos Free Zone Company (LFZC), we are implementing best practices under four major categories i.e., Financial Sustainability, Environmental Sustainability, Social Sustainability and People Sustainability.

Auditors

Messrs Deloitte & Touche (Chartered Accountants) have indicated their willingness to continue in office as auditors of the Company.

BY ORDER OF THE BOARD

GFS CORPORATE SERVICES
COMPANY SECRETARY

GFS Corporate Services Limited
(Company Secretary)
6, Broad Street,
Lagos Island,
Lagos, Nigeria
29 January 2025



Statement of Directors' Responsibilities
For the preparation and approval of the financial statements

The Directors of Lagos Free Zone Company are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2024, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with IFRS® Accounting Standards as issued by the International Accounting Standards Board, and in the manner required by Sections 15 of the Nigeria Export Processing Zones Authority (Investment procedures, regulations and operational guidelines for Free Zones in Nigeria 2004, part 5) and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient, to enable users understand the impact of transactions, and conditions on the Company's financial position and financial performance.


Going Concern:

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



Harkishin G. Aswani
Director

FRC/2014/PRO/DIR/003/00000009351



Adesuwa Ladoja
Director

FRC/2024/PRO/DIR/003/861618



Certification of Financial Statements

The Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, 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, and
- 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 periods covered by the audited financial statements.

We state that management and directors:

- are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the Company, particularly during the period in which the audited financial statement report is being prepared.
- have evaluated the effectiveness of the Company's internal controls within 90 days prior to the date of its audited financial statements, and;
- certify that the Company's internal controls are effective as of that date.

We have disclosed:

- all significant deficiencies in the design or operation of internal controls which could adversely affect the Company ability to record, process, summarize and report financial data, and has identified for the Company's auditors any material weaknesses in internal controls, and
- whether or not, there is any fraud that involves management or other employees who have a significant role in the Company's internal control; and
- as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The financial statements of the company for the year ended 31 December 2024 were approved by management on 29 January 2025

On behalf of the Directors of the Company.



Adesuwa Ladoja - CEO
FRC/2024/PRO/DIR/003/861618



Ashish Khemka - CFO
FRC/2016/ANAN/00000014248



Independent Auditor's Report

To the Shareholders of Lagos Free Zone Company

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Lagos Free Zone Company** set out on pages 8 to 51, which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and the notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of **Lagos Free Zone Company** as at 31 December 2024, and its financial performance and statement of cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board, the requirements of Sections 15 of the Nigeria Export Processing Zones Authority (Investment procedures, regulations and operational guidelines for Free Zones in Nigeria 2004, part 5) and Financial Reporting Council (Amendment) Act, 2023.

Basis for Opinion

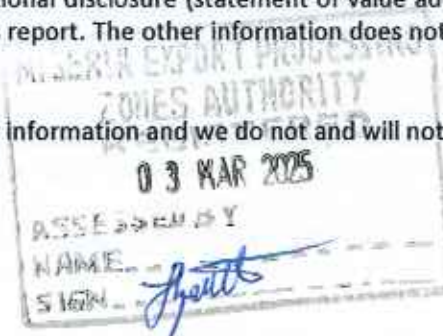
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of financial statements in Nigeria.

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

Other Information

The directors are responsible for the other information. The other information comprises corporate information, the directors' report, statement of directors' responsibilities for the preparation and approval of financial statements, certification of financial statements and other national disclosure (statement of value added and financial summary) which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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



**MAKING AN
IMPACT THAT
MATTERS**
since 1845



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board, and the requirements of Nigeria Export Processing Zones Authority (Investment procedures, regulations and operational guidelines for Free Zones in Nigeria 2004, part 5), the Financial Reporting Council (Amendment) Act, 2023 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 judgement and maintain professional scepticism throughout the audit. We also:

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



Report on Other Legal and Regulatory Requirements

We expressly state that:

- i. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. The Company has kept proper books of account, so far as appears from our examination of those books.
- iii. The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.



Folorunso Hunga, FCA, FRC/2013/PRO/ICAN/004/00000001709
For: Deloitte and Touche (FRC/2022/Coy/091021)
Chartered Accountants
Lagos, Nigeria
07 February 2025



Lagos Free Zone Company
Annual report and financial statements
For the year ended 31 December 2024

Statement of Profit or Loss and Other Comprehensive Income

	Note	2024 USD'000	2023 USD'000
Revenue	5	19,341	13,850
Direct costs	6	(200)	(181)
Gross profit		19,141	13,669
Administrative expenses	7	(8,248)	(8,019)
Exchange gain	8	18,866	40,767
Gain on disposal of property, plant and equipment	8	-	6
Other expenses	9	(3,604)	(3,206)
Finance income	10.1	4,438	2,342
Finance costs	10.2	(11,415)	(15,035)
Profit before taxation		19,178	30,524
Income tax expense	11	-	-
Profit for the year		19,178	30,524
Other comprehensive income, net of tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Total comprehensive income for the year		19,178	30,524

The notes on pages 12 to 51 form an integral part of these financial statements

Lagos Free Zone Company
Annual report and financial statements
For the year ended 31 December 2024

Statement of Financial Position
As at 31 December

	Note	2024 USD'000	2023 USD'000
Assets			
Non-current assets			
Property, plant and equipment	13.1	338,446	326,033
Intangible assets	13.2	230	201
Investments	14	42,293	42,295
Net Investment in Lease	16	77,072	77,516
Right-of-use of assets	15	159	422
Total non-current assets		458,200	446,467
Current assets			
Net Investment in Lease	16	14,500	10,875
Trade and other receivables	17	2,940	13,004
Inventory	18	834	393
Receivables from related companies	20.1	27,153	33,200
Cash and cash equivalents	21	5,691	18,773
Total current assets		51,118	76,245
Total assets		509,318	522,712
Capital and reserves			
Share capital	22	223,745	223,745
Retained earnings		78,453	59,275
Other reserves & surplus	23.2	40,364	40,364
Total equity attributable to owners of the Company		342,562	323,384
Non-current liabilities			
Deferred revenue	19	65,628	54,442
Borrowings	24.2	5,583	8,391
Payables to related companies	20.2	30,419	43,198
Total non-current liabilities		101,630	106,031
Current liabilities			
Deferred revenue	19	2,030	1,595
Borrowings	24.1	15,309	25,291
Other payables and accruals	25	3,451	257
Payables to related companies	20.2	44,336	66,154
Total current liabilities		65,126	93,297
Total liabilities		166,756	199,328
Total equity and liabilities		509,318	522,712



The financial statements on pages 8 to 51 were approved and authorized for issue by the Board of Directors on 29 January 2025 and signed on its behalf by:

Harkishin G. Aswani
Director
FRC/2014/PRO/DIR/003/00000009351

Adesuwa Ladoja
Director
FRC/2024/PRO/DIR/003/86161

Ashish Khemka
CFO
FRC/2016/ANAN/00000014248

The notes on pages 12 to 51 form an integral part of these financial statements

Statement of Changes In Equity

	Note	Attributable to owners of the Company					Total USD'000
		Share capital USD'000	Retained earnings USD'000	Capital reserve USD'000	Revaluation reserve USD'000	Foreign exchange translation reserve USD'000	
Balance at 1 January 2023		223,745	28,751	29,452	51,893	(2,650)	331,191
Profit for the year		-	30,524	-	-	-	30,524
Transfer to net investment in lease	23.1	-	-	-	(38,331)	-	(38,331)
Balance at 31 December 2023		223,745	59,275	29,452	13,562	(2,650)	323,384
Profit for the year		-	19,178	-	-	-	19,178
Balance at 31 December 2024		223,745	78,453	29,452	13,562	(2,650)	342,562

The notes on pages 12 to 51 form an integral part of these financial statements



Lagos Free Zone Company
Annual report and financial statements
For the year ended 31 December 2024

Statement of Cash Flows

	Note	2024 USD'000	2023 USD'000
Cash flows from operating activities			
Profit for the year		19,178	30,524
Adjustments for:			
Depreciation of property, plant and equipment	13.1 & 13.1.i	2,025	1,790
Amortisation - intangible assets	13.2	49	39
Amortisation - right-of-use assets	15	303	428
Finance costs	10.2	11,415	15,035
Finance income	10.1	(4,438)	(2,342)
Lease finance income	16	(14,056)	(10,385)
Gain on disposal of property, plant and equipment	8	-	(6)
Foreign exchange loss on investment	14	2	5
Foreign exchange gain on bond and bank borrowings	20.4 & 24.3	(19,997)	(46,585)
		(5,519)	(11,497)
Movements in working capital:			
Inventory		(441)	(109)
Trade and other receivables		10,989	(1,110)
Receivables from related companies		16,922	(248)
Deferred revenue		11,621	(687)
Other payables and accruals		3,194	(240)
Payables to related companies		(20,091)	(1,372)
Net cash used in operating activities		<u>16,675</u>	<u>(15,263)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	13.1 & 13.1.i	(14,795)	(6,569)
Acquisition of intangible assets	13.2	(78)	(58)
Proceeds on disposal of property, plant and equipment		-	12
Transfer of assets	13.1	357	9
Acquisition of right-of-use assets	15	(40)	(249)
Investment in subsidiary company	14	-	(2,000)
Finance income received		3,513	2,175
Net cash used in investing activities		<u>(11,043)</u>	<u>(6,680)</u>
Cash flows from financing activities			
Proceeds from SPV for bond	20.4	-	23,340
Finance costs paid	13.1.h & 20.4 & 24.3	(9,732)	(13,468)
Proceeds from borrowings	24.3	63,148	45,357
Repayment of borrowings	24.3	(72,130)	(37,476)
Net cash generated from financing activities		<u>(18,714)</u>	<u>17,753</u>
Net decrease in cash and cash equivalents		<u>(13,082)</u>	<u>(4,190)</u>
Cash and cash equivalents at the beginning of the year		<u>18,773</u>	<u>22,963</u>
Cash and cash equivalents at the end of the year	21	<u>5,691</u>	<u>18,773</u>



The notes on pages 12 to 51 form an integral part of these financial statements

Notes to the financial statements

1. General Information

1.1 Legal form

Lagos Free Zone Company ("the Company") (previously known as Lagos Free Trade Zone Company) is a limited liability company incorporated in Nigeria under the provision of the Nigeria Export Processing Zones Authority Act of 1992 (NEPZA) and commenced business in October 2008. The registered office is at 6th Floor, Block A, Nipost Office Towers, 23 Adeola Odeku Street, Victoria Island, Lagos, Nigeria, and the principal place of business is at Lagos Free Zone, Itoke Village, Ibeju, Lekki Local Government Area, Lagos, Nigeria.

1.2 Principal activities

The principal activities of the Company include development of a business model and a vision plan for the zone, land development, construction of buildings and infrastructures, operating the Free Trade Zone and leasing of developed land to Enterprises registered within the Zone.

1.3 Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The financial statements comprise:

- Statement of profit or loss and other comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements.



IFRS are the accounting standards recognised by NEPZA in accordance with the Nigeria Export Processing Zones Authority Investment Procedures, Regulations and Operational Guidelines for Free Zones in Nigeria, 2004.

These financial statements are prepared for Lagos Free Zone Company as a single entity as required by NEPZA.

1.4 Basis of preparation

The Company maintains the accounting records in accordance with the laws, accounting and reporting regulations of the jurisdictions in which they are incorporated and registered, namely Nigeria.

The financial statements of the Company are presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

These financial statements have been prepared on the historical cost basis except for the revaluation of Land.

1.5 Functional and presentation currency

These financial statements are presented in United States Dollars (USD), which is the Company's functional currency. All financial information presented in USD has been rounded to the nearest thousand unless otherwise stated.

Notes to the Financial Statements

1.6 Shareholders

The immediate controlling party, throughout, and as at 31 December 2024 and 2023 was Eurochem Corporation Pte. Ltd., Singapore.

The ultimate controlling party of Eurochem Corporation Pte. Ltd. is Tolaram Pte. Ltd. (previously known as Tolaram Group Inc.).

2. Adoption of new and revised standards

2.1 New and amended IFRS Standards that are effective for the current year

In the current year, the company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the Company applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments
- the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

The Directors of the Company assessed that the application of the amendments has an immaterial impact on the Company's financial statements.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

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

The Directors of the Company assessed that the application of the amendments has an immaterial impact on the Company's financial statements.



Notes to the Financial Statements

2.1 New and amended IFRS Standards that are effective for the current year (cont'd)

Amendments to IAS 1 Presentation of Financial Statements — Non-current Liabilities with Covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The Directors of the Company assessed that the application of the amendments has an immaterial impact on the Company's financial statements.

Amendments to IFRS 16 Leases — Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

The Directors of the Company assessed that the application of the amendments has an immaterial impact on the Company's financial statements.



Notes to the Financial Statements

2.2 New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- Amendments to IAS 21 - Lack of Exchangeability
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.



Notes to the Financial Statements

2.2 New and revised IFRS Accounting Standards in issue but not yet effective (cont'd)

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability (cont'd)

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the company anticipate that the application of these amendments may have an impact on the company's financial statements in future periods.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

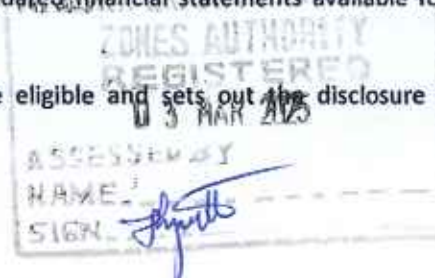
The directors of the company anticipate that the application of these amendments may have an impact on the company's financial statements in future periods.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.



Notes to the Financial Statements

2.2 New and revised IFRS Accounting Standards in issue but not yet effective (cont'd)

IFRS 19 Subsidiaries without Public Accountability: Disclosures (cont'd)

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The directors of the company do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the company.

3. Material accounting policies

The accounting policies set out below have been applied consistently by the Company throughout the year as presented in these financial statements.

3.1 Property, plant and equipment

Recognition and measurement

Land held for use in the production or supply of goods or services for rental to others (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity with a gap of one year such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.



Notes to the Financial Statements

3.1 Property, plant and equipment (cont'd)

On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings or in case of finance leasing of the land, revaluation reserve is transferred to the net investment in lease asset.

Properties in the course of construction for production, supply or administrative purposes, or any other business purpose, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Buildings	2.5%
Plant and machinery	20%
Office equipment	15%
Furniture and fittings	15%
Motor vehicles	25%
Infrastructure development	5%
Land is not depreciated.	

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Computers including ERP equipment are depreciated at 33% per annum and are included under the category of Office equipment.

Temporary structures that have been capitalised under buildings are being depreciated at 20% per annum keeping in consideration their useful life.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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



Notes to the Financial Statements

3.1 Property, plant and equipment (cont'd)

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Impairment excluding Goodwill

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.



Notes to the Financial Statements

3.2 Leases

The company as lessee

The Company assesses whether a contract is, or contains, a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Company and the lease does not benefit from a guarantee from the Company.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Rent" in profit or loss (see note 7).

The company as lessor

The Company enters into lease agreements as a lessor with respect to its land parcels.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.



Notes to the financial statements

3.2 Leases (cont'd)

The company as lessor (cont'd)

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Company applies IFRS 16 and 15 respectively to allocate the consideration under the contract to each component.

3.3 Cash and cash equivalents

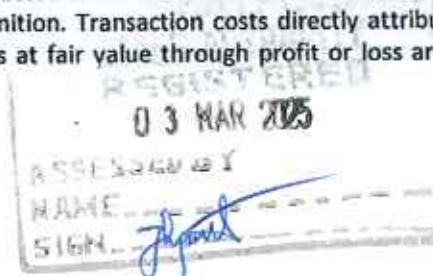
In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the company's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.

3.4 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value or effective interest method, except for trade receivables that do not have a significant financing component which are measured at transaction price / historical cost. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



Notes to the financial statements

3.4 Financial instruments (cont'd)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the company may make the following irrevocable election / designation at initial recognition of a financial asset:

- The company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met
- The company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.



Notes to the financial statements

3.4 Financial instruments (cont'd)

Equity instruments designated as at FVTOCI

On initial recognition, the company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at

FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

The company designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

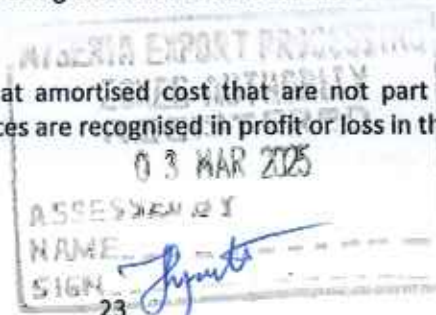
- Investments in equity instruments are classified as at FVTPL, unless the company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The company has not designated any debt instruments as at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated using the autonomous market rate at the end of each reporting period. Specifically

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item



Notes to the financial statements

3.4 Financial instruments (cont'd)

Foreign exchange gains and losses (cont'd)

- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in the investments revaluation reserve
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item as part of the fair value gain or loss
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The company always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.



Notes to the financial statements

3.4 Financial instruments (cont'd)

Foreign exchange gains and losses (cont'd)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.



Notes to the financial statements

3.4 Financial instruments (cont'd)

Financial liabilities (cont'd)

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the autonomous market rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.5 Employee benefits

Remuneration to employees in respect of services rendered during a reporting period is recognised as an expense in that reporting period.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Defined contribution plans

The Company contributes to the government defined contribution plan of the Nigerian Federation.

Contributions are made by the Company at the rate of 10% and employees at the rate of 8% on each of the relevant employees' monthly emoluments. The contributions are remitted to the staff Pension Fund Administrators as provided by the Pension Reform Act 2014. These contributions are recognised in the statement of comprehensive income when employees have rendered services entitling them to the contribution.

3.6 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate prevailing 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 prevailing at the end of the year. Foreign exchange gains or losses are included in other gains/(losses) on a net basis (note 8).



Notes to the financial statements

3.6 Foreign currency transactions (cont'd)

The principal exchange rates used in the financial statements are:

	2024	2023
US Dollar / Naira		
At 31 December	0.00060606	0.00083333
Average for the year	0.00070381	0.00127389
Naira / US Dollar		
At 31 December	1650.00	1200.00
Average for the year	1420.83	785.00

3.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

3.8 Revenue recognition

The Company recognises revenue from the following major sources:

- Lease income from leasing of land (Refer to Note 3.2 above)
- Operating license and operational fees
- Documentation and examination fees from Enterprises for processing of documents for import and export
- Sale of land and infrastructure assets

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer. Revenue is reduced for estimated rebates and other similar allowances.

3.9 Taxation

The Company is operating in a Free Trade Zone and is exempted from any corporate and other taxes and levies in accordance with the Section 8 of the Nigeria Export Processing Zones Act 1992.

3.10 Finance income and expenses

Finance income comprises interest income on funds invested.

Interest income is recognised as it accrues in the statement of comprehensive income, using the effective interest method.

Finance costs comprise interest expense on borrowings and advances, and amortization of transaction costs related to borrowings. All borrowing costs are recognised in the statement of comprehensive income using the effective interest method.

3.11 Provisions

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



Notes to the financial statements

3.11 Provisions (cont'd)

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

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

3.12 Inventories

Inventories comprise of construction materials which are either used in construction of property or in repair & maintenance of existing properties and machinery. Inventories are not available for sale.

Inventories are stated at the cost. Cost comprises direct materials and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method.

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In applying the company's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

4.1 Useful lives of property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The estimation of the useful life of an item of property, plant and equipment is a matter of management judgment based upon experience with similar assets. In determining the useful life of an asset, management considers the expected usage, estimated technical obsolescence, physical wear and tear and the physical environment in which the asset is operated. Changes in any one of these conditions or estimates may result in adjustments to future depreciation rates.

4.2 Impairment of trade and other receivables

The company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where there is objective evidence of impairment, the amount and timing of future cash flows is estimated based on historical loss experiences for assets with similar credit risk characteristics.

As explained in note 3, the company also recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The carrying amount of the company's trade and other receivables at the reporting date are disclosed in Note 17 and 20.

The investment in equity instruments were measured at cost because the instruments do not have a quoted market price in an active market and its fair value cannot be reliably measured at the end of the year due to the fact that the Companies are still in the construction/development stage of their existence. During the year, investments in subsidiaries were assessed for impairment considering the net assets and other qualitative information.

On 1 January 2011 the Company entered into a lease agreement with its associate company (earlier an indirect subsidiary company), Lekki Port LFTZ Enterprise, ("LPLE") in relation to two parcels of land at Magbon Segun Village, in the Ibeju Lekki area of Lagos State. By a Deed of Novation dated 15 January 2019, LPLE transferred by novation all its rights, benefits, liabilities, claims, demands and obligations under the lease agreement to Lekki Port LFTZ Enterprise Limited (LPLEL). The period of the lease is determined by reference to "the concession agreement", which is an agreement between LPLE (currently novated to LPLEL) and the Nigerian Ports Authority which contains a number of conditions that are required to be settled before concession agreement becomes effective.

Under the terms of the lease agreement, the land has been demised to LPEL from 1 January 2011 until the earlier of: - (a) the expiry or termination of the Concession Agreement dated 21 April 2011 executed between the Nigerian Ports Authority and the Sub-Lessee and amended on 25 July 2012 or (b) when the Property is transferred by the Sub-Lessor to the Nigerian Ports Authority, as specified under the Concession Agreement (45 years from the financial closure date i.e. Dec 2019)

Rent is receivable at US\$14.50 million per annum from (i) the Commercial Operation Date (as defined in the Sub-Concession Agreement dated 30 September 2019 entered into by the Sub-Lessee and CMA Terminals Nigeria for the operation of the container terminal) or (ii) 1 September 2023, whichever is earlier (the "Rent Commencement Date") until the expiry of the Lease Term or termination of the Sub-Lease Agreement. Rent is receivable for 25 years from the date of financial closure (i.e. till 30 November 2044). The Commercial Operation Date is 1 April 2023 and therefore rent accrual starts from April 2023.

Rent is due for payment on an annual basis every February in arrears. Payment of rent is also subordinated to payments due to the Senior Lenders under the Financing Documents but shall be paid ahead of all subordinated loans, shareholders loans and other payables of the Sub-Lessee. Any rent not paid in full as a result of such subordination shall incur interest at the rate of 10.53% per annum until the date of payment.

Notes to the financial statements

5. Revenue	2024 USD'000	2023 USD'000
Application fees	4	2
Building permit fees	-	23
Certificate of origin fees	7	5
Documentation fees	61	63
Examination fees	93	148
Lease finance income (Note 16)	14,056	10,385
Lease rental – Land (Note 19.1)	3,465	1,733
Local import examination fees	43	39
Operational fees	1,160	1,084
Outbound documentation fees	69	66
Registration and permits	210	182
Rental income and fees (Note 5.c)	173	120
	<u>19,341</u>	<u>13,850</u>

5.a Geographical Information

The Company operates within Lagos Free Zone as Zone Operator in Lagos, Nigeria.

5.b Lease Rental – Land in 2024 includes the rental for 2022-23 for which definitive agreement was signed in current year.

5.c Rental income and fees mainly comprises lease rentals from land and horticulture, power and other services provided to entities in the Free Zone.

6. Direct costs	2024 USD'000	2023 USD'000
Cost of documentation fees	9	9
Cost of examination fees	10	12
Cost of outbound documentation fees	10	10
Licenses, registration, and permits	171	150
	<u>200</u>	<u>181</u>



Notes to the financial statements

7. Administrative expenses

	2024 USD'000	2023 USD'000
Amortisation - intangible assets (Note 13.2)	49	39
Amortisation - right-of-use assets (Note 15)	303	428
Auditor's remuneration	12	17
Bank charges	33	32
Depreciation (Note 13.1 and 13.1.i)	2,025	1,790
Festival expenses	354	357
Immigration expenses	115	101
Insurance	146	152
Legal and professional fees	97	84
Marketing expense	1,178	956
Other expenses	360	466
Rent	190	50
Repairs and maintenance	1,241	1,151
Security expenses	80	101
Staff costs (Note 7.a.i)	1,328	1,464
Travelling and transport	298	547
Utility expenses	215	161
Vehicle expenses	224	123
	8,248	8,019

7.a Staff costs

- i. Staff costs comprise:
- Salaries to staff
 - Other allowances



	2024 USD'000	2023 USD'000
Salaries to staff	739	788
Other allowances	589	676
	1,328	1,464

- ii. The closing number of full-time persons employed by the Company at balance sheet date was as follows:

	2024 Number	2023 Number
Management	7	5
Senior employees	83	75
Junior employees	109	83
	199	163

- iii. Employees of the enterprise, other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration (including all the allowances) in the following ranges:

	2024 Number	2023 Number
USD 750 - USD 1,000	43	8
USD 1,000 - USD 2,000	66	70
USD 2,000 - USD 4,000	54	50
USD 4,000 and above	36	35
	199	163

- 7.b The Directors have waived their remuneration for the year and no amount has been fixed as company is still in its initial stages of development.

Notes to the financial statements

8. Other gains	2024	2023
	USD'000	USD'000
Exchange gain (Note 8.1)	18,866	40,767
Gain on disposal of property, plant and equipment	-	6
	<u>18,866</u>	<u>40,773</u>

8.1. In 2024, exchange gain was mainly attributable to revaluation of monetary liabilities / borrowings (net of assets) from NGN 1200/USD as at 31 December 2023 to NGN 1,650/USD at 31 December 2024 due to devaluation of NGN currency against USD in the autonomous market. In 2023, the monetary liabilities/borrowings (net of assets) were revalued from NGN 740/USD to NGN 1,200/USD. The company enjoys the incentives as per NEPZA ACT, 1992 and accordingly foreign exchange regulations do not apply within free zones and therefore the foreign currency rates are determined for the relevant period using the autonomous market rates, which is the only market the company is able to source for foreign currencies during the year given the fact that Central Bank of Nigeria's regulations preclude Free Zone entities from obtaining foreign exchange from its official windows.

9. Other expenses	2024	2023
	USD'000	USD'000
Technical expenses (Note 9a)	<u>3,604</u>	<u>3,206</u>

9.a Technical Consultancy fees is charged by various consultants providing consulting services to the Company against general consultancy for development of the Zone.

10. Finance income & costs	2024	2023
	USD'000	USD'000
10.1 Finance income		
Interest income	<u>4,438</u>	<u>2,342</u>

10.1.1 Interest Income mainly relates to the interest earned from short-term investment with banks and Eurochem Corporation Pte. Ltd. (Holding Company for Lagos Free Zone Company) on deposits done with them.

10.2 Finance costs	2024	2023
	USD'000	USD'000
Interest on long-term borrowings	646	1,266
Interest on bond loan from SPV (Note 20.2.e)	5,836	9,307
Interest on short-term borrowings (incl. facility fees)	<u>4,933</u>	<u>4,462</u>

	<u>11,415</u>	<u>15,035</u>
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Notes to the financial statements

11. Taxation

The Company is incorporated as a Free Trade Zone Enterprise under the Nigeria Export Processing Zones Authority Act (1992) and is therefore exempted from all Federal, State and Local Government taxes, rates, customs duties and levies as provided for by Section 8 of the Nigeria Export Processing Zones Authority Act (1992) in respect of its business activities. As a result, the Company has not recognised tax liabilities in its financial statements.

12 Profit for the year from continuing operations

Profit for the year has been arrived after charging / (crediting)

	2024	2023
	USD'000	USD'000
Depreciation of property, plant and equipment (note 13.1.i)	2,025	1,790
Audit fee	12	17
Exchange gain	(18,866)	(40,767)
Amortisation - intangible assets	49	39
Amortisation - right-of-use assets	303	428



Notes to the financial statements

13.1 Property, plant, and equipment

	Developed land USD'000	Undeveloped land USD'000	Infrastructure development USD'000	Buildings USD'000	Construction in progress USD'000	Motor Vehicles USD'000	Plant and machinery USD'000	Furniture and fittings USD'000	Office equipment USD'000	Total USD'000
Cost / revaluation:										
At 1 January 2023	276,582	140,730	5,977	11,427	3,355	2,967	3,120	582	601	445,341
Additions	-	23	205	-	5,088	488	574	23	168	6,569
Reclassification	-	3,113	2,704	46	(6,169)	-	167	118	21	-
Transfer/Write off	-	-	-	-	(9)	-	-	-	-	(9)
Disposal	-	-	-	-	-	(93)	-	-	(2)	(95)
Transfer to Net Investment in Lease	(115,110)	-	(1,557)	-	-	-	-	-	-	(116,667)
At 31 December 2023	161,472	143,866	7,329	11,473	2,265	3,362	3,861	723	788	335,139
Additions	-	10,896	294	56	2,454	587	347	18	178	14,840
Reclassification	-	120	2,080	694	(2,894)	-	-	-	-	-
Transfer/Write off	-	-	-	-	(357)	-	-	-	-	(357)
Disposal	-	-	-	-	-	-	-	-	-	-
At 31 December 2024	161,472	154,882	9,703	12,223	1,478	3,949	4,208	741	966	349,622
Depreciation:										
At 1 January 2023	-	-	803	2,720	-	1,690	1,549	554	419	7,735
Charge for the year	-	-	262	320	-	621	485	17	85	1,790
Disposal	-	-	-	-	-	(88)	-	-	(1)	(89)
Transfer to Net Investment in Lease	-	-	(330)	-	-	-	-	-	-	(330)
At 31 December 2023	-	-	735	3,040	-	2,223	2,034	571	503	9,106
Charge for the year	-	-	381	323	-	548	670	29	119	2,070
Disposal	-	-	-	-	-	-	-	-	-	-
At 31 December 2024	-	-	1,116	3,363	-	2,771	2,704	600	622	11,176
Net book value:										
At 31 December 2023	161,472	154,882	8,587	8,860	1,478	1,178	1,504	141	344	338,446
At 31 December 2024	161,472	143,866	6,594	8,433	2,265	1,139	1,827	152	285	326,033

Notes to the financial statements

- 13.1.a** The Company does not have any capital commitments towards construction of facilities and land related activities as at the reporting date (2023: USD Nil).
- 13.1.b** Additions to undeveloped land relates to the new land acquired and sand filling activity during the year 2024 amounting to USD 11 million. In 2023, additions to undeveloped land relates to the sand filling activity carried out on undeveloped land amounting to USD 3.1 million
- 13.1.c** There were no leased assets included in the above except land.
- 13.1.d** 300 Hectares of the land (out of total land area of 614 Hectare parcel) included in PPE for amounting USD 124 million is being kept as security through debenture trust deed in favour of below:

Bank	Facility	Facility Amount (NGN billion)	Outstanding Amount (NGN billion)	Borrower
First City Monument Bank	DCRR Loan	10.0	8.5	Lagos Free Zone Company
Titan Trust Bank		2.50	2.3	
First Bank of Nigeria	Short-term credit line/facility	40.0	10.0	
Coronation Bank		5.0	3.0	
Stanbic IBTC Bank Plc.	DCRR Loan	5.0	4.3	Free Zone Utilities LFTZ Enterprise (100% subsidiary of company)
First Bank of Nigeria		7.5	6.4	
NREIT LFZ Enterprise	Lease Liability	2.7	-	
FSDH Merchant Bank Ltd	Guarantee for BOI Loan	3.0	3.0	
Wema Bank Plc.		4.5	4.5	Irele Energy LFZ Enterprise (100% subsidiary of company)
Polaris Bank Limited		4.5	4.5	
First City Monument Bank	DCRR Loan	10.0	8.6	Elevate Commercial Park Limited (100% subsidiary of company)
Infrastructure Credit Guarantee Company Limited	Guarantor of the Bond against the bond loan	53.0	53.0	LFZC Funding SPV Plc (100% indirect subsidiary of company)

- 13.1.e** As part of the concession agreement between Lekki Port LFTZ Enterprises Limited (LPLEL) and the Nigerian Ports Authority, described in Note 4.4, on the 25th anniversary of the award of concession, LPLEL will agree to ensure that the Port Area will be assigned to the Nigerian Ports Authority for the nominal price of 1 Naira. Accordingly, net carrying value of land and fence as at 1 April 2023 of Port Area amounting USD 116.3 million was transferred to net investment in lease from the date of start of lease income and amortised as part of finance lease income till the date it is assigned to Nigerian Ports Authority (refer Note 16)
- 13.1.f** Prior to the revaluation exercises carried out for land by Knight Frank (Registration No. FRC/2013/000000000584) in 2012, 2014, 2016, 2020, 2022 and 2024 the original cost of land was USD 8.77 million, and USD 115 million for developed and undeveloped land respectively. In 2022, valuation report on behalf of Knight Frank was signed by Partner Sunny Akpodiogaga (FRC/2013/PRO/NIESV/004/00000000655).



Notes to the financial statements

- 13.1. g** Property, plant and equipment were measured at cost (excluding land), during the year, assets were assessed for impairment considering the life and usage of each assets and none of the impairment indicators were identified as at 31 December 2024 (31 December 2023 : Nil)
- 13.1.h** Additions to property, plant and equipment includes the borrowing cost capitalized amounting to USD 181k (2023:USD 324k)
- 13.1.i** In line with IFRS Accounting Standards, depreciation on plant & machinery amounting USD 45K is capitalized for purpose of capital projects to the extent of plant & machinery utilized for construction projects and balance amount of USD 2,025k was expensed off.

	2024 USD'000	2023 USD'000
Depreciation charge for the year	2,070	1,790
Depreciation capitalised	(45)	-
Depreciation charged to profit and loss statement	<u>2,045</u>	<u>1,790</u>

13.2 Intangible assets	Website & portals USD'000	Assets under development USD'000	Total USD'000
Cost:			
At 1 January 2023	192	18	210
Additions	12	46	58
Reclassification	36	(36)	-
At 31 December 2023	240	28	268
Additions	56	22	78
Reclassification	50	(50)	-
At 31 December 2024	346	-	346
Amortisation:			
At 1 January 2023	28	-	28
Charge for the year	39	-	39
Disposal	-	-	-
At 31 December 2023	67	-	67
Charge for the year	49	-	49
Disposal	-	-	-
At 31 December 2024	116	-	116
Net book value:			
At 31 December 2024	<u>230</u>	<u>-</u>	<u>230</u>
At 31 December 2023	<u>173</u>	<u>28</u>	<u>201</u>

Notes to the financial statements

13.2 a Intangible assets mainly include LFZ website (www.lagosfreezone.com) and various other .NET based web portals to provide various services to customers / investors.

13.2 b In line with the IFRS Accounting Standards, management has reviewed in detail the intangible assets and is of the opinion that the useful life of the website and portal is indefinite from its original implementation, and this has been adjusted accordingly. The development costs incurred on the website and portal development will be fully amortised in 5 years from the date of the Go-Live.

14. Financial assets

Investments

Balance at 1 January

Additions

Exchange Loss

Balance at 31 December



2024	2023
USD'000	USD'000
42,295	40,300
-	2,000
(2)	(5)
42,293	42,295

14.1 Non-current investments

	2024		2023	
	% Holdings	USD'000	% Holdings	USD'000
Tolaram Port Investment Incorporation (Note 14.2 & Note 14.2)	66.67	40,000	66.67	40,000
Free Zone Utilities LFTZ Enterprise (Note 14.2)	100	187	100	187
Lekki Bulk and General Cargo Terminal LFTZ Enterprise (Note 14.2)	100	100	100	100
Elevate Commercial Park Limited (Note 14.2)	100	6	100	8
Irele Energy LFZ Enterprise (Note 14.2)	100	1,000	100	1,000
Igboya Power LFZ Enterprise (Note 14.2)	100	1,000	100	1,000
		42,293		42,295

14.2 These equity instruments were measured at cost because the instruments do not have a quoted market price in an active market and its fair value cannot be reliably measured at the end of the year due to the fact that the Companies are still in the start-up stage of their existence. During the year, investments in subsidiaries were assessed for impairment considering the net assets and other qualitative information of each subsidiary and none of the impairment indicators were identified as at 31 December 2024 (31 December 2023 : Nil)

Notes to the financial statements

15	Right-of-use assets	Office buildings USD'000	Residential buildings USD'000	Total USD'000
	Cost:			
	At 1 January 2023	392	457	849
	Additions	-	249	249
	Expired / terminated	-	(26)	(26)
	At 31 December 2023	392	680	1,072
	Additions	-	40	40
	Expired / terminated	-	(410)	(410)
	At 31 December 2024	392	310	702
	Accumulated Depreciation:			
	At 1 January 2023	64	184	248
	Charge for the year	138	290	428
	Expired/terminated	-	(26)	(26)
	At 31 December 2024	202	448	650
	Charge for the year	128	175	303
	Expired / terminated	-	(410)	(410)
	At 31 December 2024	330	213	543
	Carrying amount			
	At 31 December 2024	62	97	159
	At 31 December 2023	190	232	422

15.1 The Company's leased assets includes office and residential places. The lease term for office building is 2 years and average lease term for residential building is more than 1 year.

15.2 Amounts recognised in profit and loss

Depreciation expense on right-of-use assets amounts to USD 303k (2023: USD 428k)

15.3 At 31 December 2024, the Company is committed to Nil (31 December 2023: Nil) for short-term leases.

16 Net Investment in Lease

Balance at 1 January
Fair Value of the Leased Asset
Add: Lease Finance Income
Transferred to trade debtor

Balance at 31 December



2024	2023
USD'000	USD'000
88,391	-
-	78,006
14,056	10,385
(10,875)	-
91,572	88,391

16.1

Current
Non-current

2024	2023
USD'000	USD'000
14,500	10,875
77,072	77,516
91,572	88,391

Notes to the financial statements

- 16.2** Under the terms of the lease agreement, the land has been demised to LPEL and rent is receivable at US\$14.50 million per annum from (i) the Commercial Operation Date (as defined in the Sub-Concession Agreement dated 30 September 2019 entered into by the Sub-Lessee and CMA Terminals Nigeria for the operation of the container terminal) or (ii) 1 September 2023, whichever is earlier (the "Rent Commencement Date") until the expiry of the Lease Term or termination of the Sub-Lease Agreement. Rent is receivable for 25 years from the date of financial closure (i.e. till 30 November 2044). The Commercial Operation Date is 1 April 2023 and therefore rent accrual starts from April 2023. Rent is due for payment on an annual basis every February in arrears.

Fair value of asset as at 1 April 2023 of Port Area amounting to USD 78 million (Net carrying value of land and fence USD 116.3 million which included revaluation gain of USD 38.3 million) was transferred to net investment in lease from the date of start of lease income and amortised as part of finance lease income till the date it is assigned to Nigerian Ports Authority. Rent amounting to USD 10.875 million is receivable from LPEL for 2023 in February 2024 which is shown as a current balance.

		2024 USD'000	2023 USD'000
17	Trade and other receivables		
	Trade receivables (Note 17.3)	1,508	2,210
	Advances to suppliers (Note 17.4)	1,140	10,560
	Other assets (Note 17.5)	236	211
	Employee receivables	56	23
		<u>2,940</u>	<u>13,004</u>
	Less: Expected credit loss (Note 17.2)	-	-
		<u>2,940</u>	<u>13,004</u>
		2024 USD'000	2023 USD'000
17.1	Current	2,940	13,004
	Non – current	-	-
		<u>2,940</u>	<u>13,004</u>



- 17.2** The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL (expected credit loss). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial positions, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Since the Company's customers have track records of making the payment within allowed credit period, the management expects the ECL to be zero and hence no provision is made towards impairment of trade receivables.

The Company does not hold any collateral or other credit enhancements over these balances, nor does it have a legal right of offset against any amount owed by the Company to the counter party.

Notes to the financial statements

17.3 The following table details the age profile of trade receivables:

	2024	2023
	USD'000	USD'000
Not Past due	1,258	2,004
Less than 30 days	250	206
More than 30 days	-	-
	<u>1,508</u>	<u>2,210</u>

17.4 Advance to suppliers primarily includes advance to contractors and suppliers for procurement of materials and property (land), plant & equipment.

17.5 Other assets

Prepaid rent
Other prepaid expenses



	2024	2023
	USD'000	USD'000
Prepaid rent	90	102
Other prepaid expenses	146	109
	<u>236</u>	<u>211</u>

18 Inventory

Construction Materials

	2024	2023
	USD'000	USD'000
Construction Materials	834	393
	<u>834</u>	<u>393</u>

18.1 Construction materials are either used in construction or in repair & maintenance. In 2023, inventory is reclassified from property, plant and equipment and shown as a separate line item and also, previous year figures have been adjusted to reflect the same.

19. Deferred revenue

Current
Non-current

	2024	2023
	USD'000	USD'000
Current	2,030	1,595
Non-current	65,628	54,442
	<u>67,658</u>	<u>56,037</u>

19.1 Deferred revenue comprises advance billings on operating lease agreements that the Company entered with various entities. These agreements span over the years with longest one expiring in the year 2100. The movement in deferred Income is as follows.

	2024	2023
	USD'000	USD'000
Balance at 1 January	56,037	56,724
Addition	21,319	1,046
Cancellation of lease (Note 19.2)	(6,233)	-
Release to Revenue (Note 5)	(3,465)	(1,733)
Balance at 31 December	<u>67,658</u>	<u>56,037</u>

19.2 During the year, the company cancelled the land sub-lease agreement with Free Zone Utilities (a subsidiary of company) in accordance with termination/cancellation clause of agreement for the value of lease for balance year amounting USD 6,233k for the portion of land.

Notes to the financial statements

20. Related company balances

20.1 Receivables from related companies

	Transaction value 2024 USD'000	Outstanding balance 2024 USD'000	Transaction value 2023 USD'000	Outstanding balance 2023 USD'000
Insignia Print Technology LFTZ Enterprise (Note 20.1.a)	134	9	146	6
Lekki Port LFTZ Enterprise Limited (Note 20.1.b)	13,355	11,822	117	10
Tolaram Africa LFTZ Enterprise (Note 20.1.c)	527	-	10	-
Raffles Oil LFTZ Enterprise (Note 20.1.d)	142	4	203	15
TG Arla Dairy Products LFTZ Enterprise (Note 20.1.e)	1,733	-	118	1
KT LFTZ Enterprise (Note 20.1.f)	110	10	151	3
Tolaram Port Investment Inc. (Note 20.1.g)	5	295	25	289
Free Zone Utilities LFTZ Enterprise (Note 20.1.h)	26,434	6,225	21,467	27,943
Multipro Consumer Products Limited (Note 20.1.i)	123	-	191	-
Ishk Tolaram Foundation (Note 20.1.j)	50	-	1	-
Colgate Tolaram LFTZ Enterprise (Note 20.1.k)	127	6	162	3
Lekki Bulk & General Cargo Terminal LFTZ Enterprise (Note 20.1.l)	15	88	22	76
Infinity Logistics LFZ Enterprise (Note 20.1.m)	-	-	75	-
Elevate Commercial Park Limited (Note 20.1.n)	4,249	7,093	4,189	4,785
Green Packaging LFTZ Enterprise (Note 20.2.g)	12,291	1	174	69
Tolaram Africa Enterprise Limited (Note 20.1.o)	349	-	532	-
Lucky Fibre Plc (Note 20.1.p)	3,174	-	-	-
Elev-8 Spirits LFZ Enterprise (Note 20.1.q)	29	4	-	-
LFZC Funding SPV Plc (Note 20.2.d)	63	14	-	-
Irele Energy LFZ Enterprise (Note 20.2.c)	8,866	623	-	-
Igboya Power LFZ Enterprise (Note 20.2.b)	1,938	959	-	-
	73,714	27,153	27,583	33,200
Current		27,153		33,200
Non - current		-		-
		27,153		33,200

20.1.a Insignia Print Technologies LFTZ Enterprise is related party to the Company through common shareholding.

20.1.b Lekki Port LFTZ Enterprise Limited is an associate company.

20.1.c Tolaram Africa LFTZ Enterprise is a related company through common shareholding.

20.1.d Raffles Oil LFTZ Enterprise is a related Company through common shareholding.

20.1.e TG Arla Dairy Products LFTZ Enterprise is a related Company through common shareholding.

20.1.f KT LFTZ Enterprise is a related company through common shareholding.

20.1.g Tolaram Port Investment Inc. is a subsidiary of the Company.

20.1.h Free Zone Utilities LFTZ Enterprise is a subsidiary of the Company.

20.1.i Multipro Consumer Products Limited is a related company through common shareholding.

20.1.j Ishk Tolaram Foundation is a related company through common shareholding.

20.1.k Colgate Tolaram LFTZ Enterprise is a related company through common shareholding.

20.1.l Lekki Bulk & General Cargo Terminal LFTZ Enterprise is a subsidiary of the company.

20.1.m Infinity Logistics LFZ Enterprise is a related Company through common shareholding (company deregistered and wounded up)

20.1.n Elevate Commercial Park Limited is a subsidiary of the Company

20.1.o Tolaram Africa Enterprises Limited is a related company through common shareholding.



Notes to the financial statements

20.1.p Lucky Fibres Plc is a related company through common shareholding.

20.1.q Elev-8 Spirits LFZ Enterprise is a related company through common shareholding.

20.2 Payables to related companies

	Transaction value 2024 USD'000	Outstanding balance 2024 USD'000	Transaction value 2023 USD'000	Outstanding balance 2023 USD'000
Eurochem Corp. Pte. Limited (Note 20.2.a)	1,887	44,336	7,006	59,288
Igboya Power LFZ Enterprise (Note 20.2.b)	-	-	70	933
Irele Energy LFZ Enterprise (Note 20.2.c)	-	-	9,416	4,203
LFZC Funding SPV Plc (Note 20.2.d)	-	-	125	3
LFZC Funding SPV Plc (Note 20.2.e)	5,835	30,419	32,651	44,925
De-United Foods Industries Ltd (Note 20.2.f)	35	-	18,652	-
	7,757	74,755	67,920	109,352
Current		44,336		66,154
Non – current		30,419		43,198
		74,755		109,352

20.2.a Eurochem Corporation Pte Limited is the immediate parent company.

20.2.b Igboya Power LFZ Enterprise is a subsidiary of the Company

20.2.c Irele Energy LFZ Enterprise is a subsidiary of the Company

20.2.d LFZC Funding SPV Plc is an indirect subsidiary of the Company. The balance and the transaction value includes transactions in normal course of business

20.2.e LFZC Funding SPV Plc is an indirect subsidiary of the Company and payable relates to bond fund including interest on the same. In 2023, LFZC Funding SPV raised funds from the public for the Company through Series 3 Bond Issuance of 15.25% - NGN 17.5 billion under its bond issuance programme of NGN 50 billion for the repayment of bridge finance from bank and capital expenditure. Funds received from Series 3 bond issue net of transaction costs has been remitted to the bank and the Company (First Bank NGN 17 billion and the Company for capital expenditure NGN 0.27 billion). In 2022, LFZC Funding SPV raised funds from the public for the Company through Series 2 Bond Issuance of 13.25% - NGN 25 billion under its bond issuance programme of NGN 50 billion for the repayment of bridge finance from banks and capital expenditure. Funds received from Series 2 bond issue net of transaction costs has been remitted to the bank and the Company (First Bank NGN 20 billion, Stanbic Bank NGN 2.2 billion and the Company for capital expenditure NGN 2.5 billion). In 2021, LFZC Funding SPV raised funds from the public for the Company through the Issuance of Series 1 Bond 13.25% NGN 10.5 billion under its bond issuance programme of NGN 50 billion for the repayment of LFZC shareholders' loan (Eurochem Corporation Pte. Ltd) of the Company. Funds received from Series 1 bond issue net of transaction costs has been remitted to the shareholder (Eurochem Corporation Pte. Ltd.) as repayment of shareholders' loan. The Bond is AAA rated by rating agencies and is guaranteed by Infrastructure Credit Guarantee Company Limited. 300 Hectares of the land (out of the total land area of 614 Hectare parcel) is being kept as security through debenture trust deed in favour of Infrastructure Credit Guarantee Company Limited (Guarantor of the Bond). Therefore, liability of repayment of bond loan and interest is with the Company, thus 100% of interest expense is transferred as interest on intercompany borrowing.

20.2.f De-United Foods Industries Ltd is a related company through common shareholding.

20.2.g Green Packaging LFZ Enterprise is a related company through common shareholding.

20.3 All transactions/arrangements entered into by the Company during the year with related parties were in the ordinary course of business and in terms equivalent to those that prevail in an arm's length transaction.

20.4	Movement of bond loan from LFZC Funding SPV Plc	2024 Series 1 USD'000	2024 Series 2 USD'000	2024 Series 3 USD'000	2024 Total USD'000	2023 Series 1 USD'000	2023 Series 2 USD'000	2023 Series 3 USD'000	2023 Total USD'000
	At 1 January	8,816	21,233	14,876	44,925	14,288	34,427	-	48,715
	Fund received	-	-	-	-	-	-	23,340	23,340
	Interest accrued	1,125	2,630	2,080	5,835	1,961	4,605	2,741	9,307
	Finance costs paid	(1,475)	(3,563)	(2,842)	(7,880)	(2,030)	(4,792)	(2,110)	(8,932)
	Foreign exchange difference	(2,469)	(5,869)	(4,123)	(12,461)	(5,403)	(13,007)	(9,095)	(27,505)
	At 31 December	5,997	14,431	9,991	30,419	8,816	21,233	14,876	44,925

Lagos Free Zone Company
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Notes to the financial statements

		2024	2023
		USD'000	USD'000
21. Cash and cash equivalents			
Cash and bank		935	646
Short-term investment (Note 21.1)		4,772	18,127
		<u>5,707</u>	<u>18,773</u>
Bank Overdraft		(16)	-
		<u>5,691</u>	<u>18,773</u>
21.1	At 31 December 2024, the Company made an investment of USD 4.8 million @ 7 - 10% p.a. in short term liquid deposit. Also, the company holds a deposit of NGN 100 million (excluding NGN 23 Mn as accrued deposits) with Titan Trust Bank against the custom duty bond value of NGN 96 million. At 31 December 2023, the Company made an investment of USD 16.82 million @ 7 - 12% p.a. and NGN 1.50 billion @ 8.75% p.a. in short term liquid deposit. Also, the company holds a deposit of NGN 100 million (excluding NGN 12 Mn as accrued deposits) with Titan Trust Bank against the custom duty bond value of NGN 96 million.		
22. Share capital			
Authorised:		2024	2023
Class B		USD'000	USD'000
500,000,000 ordinary shares of USD1 each		<u>500,000</u>	<u>500,000</u>
Issued and fully paid:		USD'000	USD'000
Class B			
223,745,243 ordinary shares of USD1 each (2023: 223,745,243 ordinary shares)		<u>223,745</u>	<u>223,745</u>
23. Reserves		2024	2023
		USD'000	USD'000
23.1 Revaluation reserve			
Balance at 1 January		13,562	51,893
Transfer to net investment in lease (Note 16.2)		-	(38,331)
Balance at 31 December		<u>13,562</u>	<u>13,562</u>
23.2 Other reserve and surplus			
Capital reserve (Note 23.3)		29,452	29,452
Revaluation reserve (Note 23.1)		13,562	13,562
Foreign exchange translation reserve		(2,650)	(2,650)
		<u>40,364</u>	<u>40,364</u>



Notes to the financial statements

23.3 Capital reserve relates to restructuring of balance sheet done through 30% reduction of fully paid up equity share capital in 2020 amounting USD 95.9 million (USD 66.4 million was utilized to set of retained losses and balance USD 29.5 million was transferred to capital reserve).

	2024 USD'000	2023 USD'000
24. Borrowings		
24.1 Current		
Commercial Paper	6,561	17,901
Short-term borrowings (including interest)	8,218	6,679
Long-term borrowings (including interest)	530	711
	<u>15,309</u>	<u>25,291</u>
24.2 Non - Current		
	2024 USD'000	2023 USD'000
Long-term borrowings	<u>5,583</u>	<u>8,391</u>
Total	<u>20,892</u>	<u>33,682</u>
24.3 Movement of loan	2024 USD'000	2023 USD'000
At 1 January	33,682	43,689
Addition	63,148	45,357
Loan repaid	(72,130)	(37,476)
Accrued interest - Expense	5,579	5,728
Accrued interest - Capitalised	181	324
Interest paid	(2,032)	(4,860)
Foreign exchange	(7,536)	(19,080)
At 31 December	<u>20,892</u>	<u>33,682</u>



24.4 In 2020, the Company obtained a loan amounting to NGN12.5 billion under Differentiated Cash Reserve Ration (DCRR) scheme Initiated by Central Bank of Nigeria (CBN) from two banks i.e., NGN 10 billion from First City Monument Bank and NGN 2.5 billion from Titan Trust Bank Limited. Rate of interest charged at 9% with a term of 15 year (inclusive of 2-year moratorium period) and payable quarterly instalments. However, as a part of COVID-19 palliative measures, CBN reduced the interest rate from 9% to 5% for certain period (i.e. till 31 August 2022) and extended the moratorium period by one year. Interest expense for all the borrowings has been recognised based on the effective interest rate (EIR) method.

300 Hectares of the land (out of the total land area of 614 Hectare parcel) valued at USD 124 million is being kept as security through debenture trust deed in favour of various banks as explained in note 13.1.d. Also, Tolaram Pte. Ltd. (previously known as Tolaram Group Inc.) has given corporate guarantee as a security on above loans excluding short term facility from First Bank of Nigeria Limited and Coronation Merchant Bank.

Notes to the financial statements

24. Borrowings (cont'd)

24.4 At 31 December 2024, Short-term borrowings include loan from First Bank of Nigeria Limited and Coronation Merchant Bank amounting to NGN 3 billion secured by land trust mentioned above, and also includes interest payable on it as at 31 December 2024. Rate of interest charged is in the range of 29 – 32% p.a. Another short-term loans from First Bank of Nigeria Limited were obtained during the year and repaid during the year as part of the utilisation of credit line made available to the company which amounts to NGN 40 billion. The credit line is secured by land trust mentioned above and is unutilized at 31 December 2024.

At 31 December 2023, Short-term borrowings include loan from First Bank of Nigeria Limited amounting to NGN 8 billion secured by land trust mentioned above, and also includes interest payable on it as at 31 December 2023. Rate of interest charged is 18.25% p.a. on NGN 8 billion. Another short-term loan from First Bank of Nigeria Limited amounting to NGN 7.5 billion was obtained and repaid in December 2023 as part of the utilisation of credit line made available to the company which amounts to NGN 12 billion. The credit line is secured by land trust mentioned above and is unutilized at 31 December 2023. In 2023, short-term borrowings from First Bank of Nigeria Limited amounting to NGN 17 billion was repaid from the Bond Issue Series 3.

During the year, the company raised funds from Series 8, Series 9 and 10 Commercial Paper issue through the registered Commercial Paper Programme of NGN 30 Bn. Details are as follows:

Description	Series 8	Series 9	Series 10
Face Value (NGN)	2,505,593,000	1,157,349,000	9,337,409,000
Discounted Receipt (NGN)	2,046,117,131	1,012,564,763	7,643,320,425
Yield	31.0% p.a.	29.0% p.a.	30.0% p.a.
Maturity Date	7-Aug-25	18-Jun-25	16-Sep-25
Listing exchange	FMDQ	FMDQ	FMDQ
Tenor (days)	266	180	270

Also, during the year, the company raised funds from Series 6 and Series 7 Commercial Paper issue through the registered Commercial Paper Programme of NGN 30 Bn and repaid during the year. Details are as follows:

Description	Series 6	Series 7
Face Value (NGN)	7,491,345,000	16,562,613,000
Discounted Receipt (NGN)	6,685,765,058	14,219,165,447
Yield	24.5% p.a.	26.0% p.a.
Maturity Date	11-Sep-24	11-Dec-24
Listing exchange	FMDQ	FMDQ
Tenor (days)	180	270

Also, during the year, the company repaid Series 3, Series 4 and Series 5 Commercial Paper.

In 2023, the company raised funds from Series 3, Series 4 and Series 5 Commercial Paper issue through the registered Commercial Paper Programme of NGN 30 Bn. Details of the Series 3, Series 4 and Series 5 are as follows:



Notes to the financial statements

24. Borrowings (cont'd)

Description	Series 3	Series 4	Series 5
Face Value (NGN)	4,000,000,000	3,775,000,000	14,733,655,000
Discounted Receipt (NGN)	3,694,430,032	3,456,144,367	13,918,819,010
Yield	12.5% p.a.	12.5% p.a.	18.0% p.a.
Maturity Date	19-Mar-24	16-Apr-24	16-Apr-24
Listing exchange	FMDQ	FMDQ	FMDQ
Tenor (days)	242	270	119

	2024 USD'000	2023 USD'000
25 Other payables and accruals		
Other payables (Note 25.1)	509	235
Advance from customers	2,921	-
Accruals (Note 25.2)	21	22
	<u>3,451</u>	<u>257</u>

25.1 Other payables primarily include payables to non-trade creditors, other income received in advance and pension & payee payable.

25.2 Accruals mainly comprise of provisions created for provision for medical, leave allowance and bonus.

26. Financial instruments risks

26.1 Overview

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. 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.

Considering the operating environment, the Company might be exposed to the following risks from its use of financial instruments:

- Interest rate risk
- Liquidity risk
- Currency risk
- Credit risk



Notes to the financial statements

26. Financial instruments risks (cont'd)

26.1 Overview (cont'd)

Interest rate risk

The Company is not exposed to interest rate risk as all the borrowings of the Company has been raised at fixed rate of interest and not link to any variables such as LIBOR. However, DCRR loan is exposed to the extent for which rate can be varied by Central Bank of Nigeria, and likelihood of which is very minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following table details the Company's expected maturity for its financial assets and liabilities. The table have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Company can be required to pay.



Notes to the financial statements

26. Financial instruments risks (cont'd)

	Less than 3 months USD'000	3 months to 1 year USD'000	1-5 years USD'000	More than 5 years USD'000	Total USD'000
31 December 2024					
Assets					
Trade and other receivables	-	2,940	-	-	2,940
Receivables from related companies	-	27,153	-	-	27,153
	-	30,093	-	-	30,093
Liabilities					
Trade and other payables	-	509	-	-	509
Payables to related company	-	44,336	526	29,893	74,755
Accruals	-	21	-	-	21
Borrowings	479	14,845	2,213	3,371	20,908
	479	59,711	2,739	33,264	96,193
31 December 2023					
Assets					
Trade and other receivables	-	13,004	-	-	13,004
Receivables from related companies	-	33,200	-	-	33,200
	-	46,204	-	-	46,204
Liabilities					
Trade and other payables	-	235	-	-	235
Payables to related company	1,727	64,427	960	42,238	109,352
Accruals	-	22	-	-	22
Borrowings	198	25,093	2,964	5,427	33,682
	1,925	89,777	3,924	47,665	143,291

The Company expects to meet its other obligations from operating cash flow or borrowings.

Currency risk

The Company is exposed to currency risk on purchases and borrowings that are denominated in a currency other than functional currency of the Company, primarily the NGN. The currency in which these transactions primarily are denominated is Nigerian Naira. The revenue of the Company being located in the Nigerian Free Trade Zone will be in US Dollars and Nigerian Naira both which will provide reasonable hedging to the Company's foreign currency exposure.

Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the year was as follows:

	2024 NGN'000	2023 NGN'000
Cash and cash equivalents	137,433	1,769,178
Intercompany receivables	11,803,483	10,990,895
Trade and other receivables	1,176,340	173,794
Borrowings (gross of transaction costs)	(35,269,167)	(41,374,647)
Investments	10,000	10,000
Intercompany payables	(50,191,870)	(54,292,027)
Trade and other payables	(203,265)	(52,249)
Net exposure	(72,537,046)	(82,775,056)



Sensitivity analysis

The following table details the Company's sensitivity to a 10% increase and decrease in the USD against the Naira. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the USD strengthens 10% against the Naira. For a 10% weakening of the Dollar against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

	Equity USD'000	Income USD'000
2024		
Effect in USD	-	(4,396)
2023		
Effect in USD	-	(6,898)

Notes to the financial statements

26. Financial instruments risks (cont'd)

Capital management

The Board's policy is to maintain a realistic capital base so as to maintain investor and creditor confidence as well as sustain future development of the business. As at the year-end only 45% of the Company's authorised share capital had been issued and fully paid for. The Board of Directors are in the process of increasing the debt capital base of the Company through a number of debt options for various projects.

The Board seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company is not subject to any external capital requirements.

Gearing Ratio

The Gearing ratio at the year-end is as follows: -

	2024 USD'000	2023 USD'000
Debt	20,892	33,682
Less: Cash and cash equivalents	(5,691)	(18,773)
Net Debt (i)	<u>15,201</u>	<u>14,909</u>
 Equity (ii)	 <u>342,562</u>	 <u>323,384</u>
 Gearing Ratio (i)/(ii)	 <u>0.04</u>	 <u>0.05</u>

(i) Debt is defined as both current and non-current borrowings.

(ii) Equity includes all capital and reserves of the Company.

Credit risk

Credit risk is the risk that a customer may not meet its obligations to the Company on a timely basis, leading to financial losses to the Company.

Currently the major customers of the Company are related entities, the Company uses an internal credit system to assess the potential customer's credit quality and defines credit limits separately for each individual customer. Credit limits attributable to customers will be reviewed at least on an annual basis.

Fair values

The fair values of financial assets and liabilities are not significantly different from their carrying amounts. All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy that categorizes into three level described as follows. The fair value hierarchy give the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 Inputs) and the lowest priority to unobservable inputs (Level 3 Inputs). Level 2 inputs are other than Level 1 that are observable for the asset or the liability directly or indirectly.



Notes to the financial statements

27. Contingencies

There were no contingent liabilities as at 31 December 2024 (2023: Nil).

There are a number of litigations in which the Company is joined as a Co-defendant. Some of the cases relate to claims over portions of the land in which the zone is situated. The directors, on the advice of the external solicitors, believe the chances of any liabilities arising from these cases is remote. Therefore, no provisions have been made in these financial statements in respect of such cases.

Lagos Free Zone Company has provided Corporate Guarantee on the loans raised by its subsidiaries as below: -

Banks	Company	Guaranteed Amount (NGN billion)
First Bank of Nigeria (DCRR)	Free Zone utilities LFTZ Enterprise	7.5
Stanbic IBTC Bank Plc	Free Zone utilities LFTZ Enterprise	5.0
First City Monument Bank	Elevate Commercial Park Limited	10.0
Grand Total		22.5

28. Operating lease arrangements

The Company as Lessor

Operating leases rentals (other than as described in 4.4) relates to the property owned by the Company with lease terms of between 5 to 81 years, with an option to extend further. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period. Rental income earned by the Company from its property for the year are set out in Note 5.

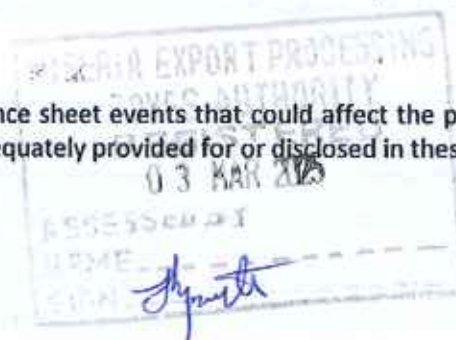
All agreements contain termination clauses, which allow for the lease agreements to be terminated. Management has hence determined that there are no non-cancellable lease commitments.

29. Capital/ financial commitment

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

30. Post balance sheet events

There were no significant post balance sheet events that could affect the position of the financial statements which have not been adequately provided for or disclosed in these financial statements.



Notes to the financial statements

31. Operating environment

Emerging markets such as Nigeria are subject to different risks than more developed markets, including economic, political and social, and legal and legislative risks. As has happened in the past, actual or perceived financial problems or an increase in the perceived risks associated with investing in emerging economies could adversely affect the investment climate in Nigeria and the country's economy in general.

Laws and regulations affecting businesses in Nigeria continue to change rapidly. Tax, currency and customs legislation within the country are subject to varying interpretations, and other legal and fiscal impediments contribute to the challenges faced by entities currently operating in Nigeria. The future economic direction of the country is heavily influenced by the economic, fiscal and monetary policies adopted by the government, together with developments in the legal, regulatory, and political environment.

The global financial system continues to exhibit signs of deep stress and many economies around the world are experiencing lesser or no growth than in prior years. These conditions could slow or disrupt Nigerian's economy, adversely affect the Company's access to capital and cost of capital for the Company and, more generally, its business, results of operations, financial condition and prospects.

The Oil production and prices have remained stabled in the year 2024 over the global markets as compared to 2023. Nigeria being highly dependent on Oil and gas production and exports the economy is subject to high fluctuations.

With regard to the impact of Russia - Ukraine war on current year and future performance, Management has considered the consequences of war and other related events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as going concern.

With regard to the impact of Israel - Gaza war on current year and future performance, Management has considered the consequences of war and other related events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as going concern.



THE FEDERAL REPUBLIC OF NIGERIA

NIGERIA EXPORT PROCESSING ZONES ACT 1992

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION OF THE BOARD OF DIRECTORS

OF

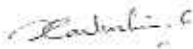
LAGOS FREE ZONE COMPANY



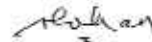
We, the undersigned, being the members of the Board of Directors of Lagos Free Zone Company ("the Company") who for the time being are entitled to receive notice of, attend and vote at the meeting of the Board hereby agree that the following resolutions shall be valid and effective as if they had been passed by us at a meeting of the Board duly held and convened. The Board hereby propose and pass the following resolutions:

1. That the Company approve the Financial Statements prepared by Deloitte & Touche for the year ended 2024.
2. That the Company Secretary is hereby authorized to file the Company's Financial Statement with the Nigeria Export Processing Zones Authority.

Dated this 24th of February 2025.



Aswani Harkishin



Mohan Vaswani



Adesuwa Ladoja



Navin Nahata



Dinesh Rathi.