



HILLCREST AGRO-ALLIED INDUSTRIES LIMITED

(RC: 1127826)

**REPORT OF THE DIRECTORS
AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025**

**LOGIC PROFESSIONAL SERVICES
(CHARTERED ACCOUNTANTS)**

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CORPORATE INFORMATION

Directors:	Olufemi Taiwo Alade - Chairman Ayodele Olusegun Alade – Managing Director Grace Oladunjoye Openiyi Alade Olusola Kehinde Alade Innocent Okuku Kolawole Durojaiye
Registration Number:	RC 1127826
Registered Address:	Km 4, Offa Road Amberi Village, Ajase-Ipo Kwara State.
Operating Office:	Km 4, Offa Road Amberi Village, Ajase-Ipo Kwara State.
Auditors:	Logic Professional Services (Chartered Accountants) 17/19, Allen Avenue, Ikeja, Lagos, Nigeria.
Bankers:	Zenith Bank Plc. First Bank Plc Providus Bank Plc FCMB Bank Plc
Secretary:	City Secretaries Limited No. 24 Ilupeju By-Pass, Ilupeju, Lagos.

DIRECTORS' REPORT

The Directors present their Report and the Audited Financial Statements of the Company for the year ended 31st December 2025.

The financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) as issued by International Accounting Standard Board (IASB), in a manner required by the Companies and Allied Matters Act, Cap C20 and the Financial Reporting Council of Nigeria Act, 2011

The Company

The Company was incorporated on the 11th of July 2013 per RC 1127826 under the Companies and Allied Matters Act, 2020 as Hillcrest Agro-Allied Industries Limited.

Principal Activities

The principal activity of the Company is Agro-Processing of Premium rice and other Agro-Allied Products.

Results at a Glance

	<u>2025</u>	<u>2024</u>
	N	N
Turnover	<u>16,061,314,424</u>	<u>17,983,416,666</u>
Profit before tax	783,682,322	181,369,803
Income tax expense	<u>(235,104,697)</u>	<u>(158,511,881)</u>
Profit after tax	<u>548,577,625</u>	<u>22,857,921</u>

Dividend

The Board of Directors has not recommended any dividend for the year.

Charitable Contributions

The Company did not make any charitable contributions during the year.

Directors

The directors who served during the year and at the date of this report are:

Olufemi Taiwo Alade
Ayodele Olusegun Alade
Grace Oladunjoye
Olusola Kehinde Alade
Openiyi Anuoluwa Alade
Innocent Okuku
Kolawole Durojaiye

DIRECTORS' REPORT (Cont'd)

Directors' Interests

Interest of directors in the Issued Share Capital of the Company as recorded in the Register of Directors' Shareholding and/or as notified by them for the purposes of Sections 275 and 276 of the Companies and Allied Matters Act, Cap C20, LFN 2020 are as follows:

Director	Direct Shareholding	
	Number of Ordinary	Number of Ordinary
	Shares Held	Shares Held
	2025	2024
Grace Oladunjoye	40,000,000	40,000,000
Alsap Investment Limited	60,000,000	60,000,000
	100,000,000	100,000,000

Statement of Directors' Responsibilities

The Companies and Allied Matters Act, Cap C20, LFN 2020 and the Financial Reporting Council of Nigeria Act No. 6, 2011 require the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of its results for that year. In preparing those financial statements the directors are required to:

- a) select suitable accounting policies and apply them consistently;
- b) make judgments and estimates that are reasonable and prudent;
- c) state whether the policies adopted are in accordance with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in operation.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act, Cap C20 LFN 2020 and the Financial Reporting Council of Nigeria Act No. 6, 2011. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

DIRECTORS' REPORT (Cont'd)

Employment of Disabled Persons

The Company has no disabled persons in its employment. However, applications for employment by disabled persons are fully considered, bearing in mind the respective aptitude and abilities of applicants concerned. In the event of members of staff becoming disabled, every effort will be made to ensure that their employment with the Company continues and that appropriate training is arranged.

Health, Safety, and Welfare at Work

The Company places high premium on the health, safety and welfare of its employees in their place of work. All efforts will be geared towards providing a safe and conducive working environment for employees. To this end, there is a health and safety policy supported by systems and procedures for ensuring that working practices are followed in the performance of all Company functions.

Employee Training and Development

Training courses is geared towards the developmental needs of the staff and the improvement in their skills to equip them to face the increasing challenges required for better performance on the job. The Company ensures that staff receives continuous on-the-job training and also attend training courses and conferences.

Employee's Involvement

The Company place considerable value on the involvement of its employees in major policy matters and will continue the practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This can be achieved through formal and informal meetings.

Post Balance Sheet Events

There are no significant developments since the end of the accounting year which could have a material effect that has not been adequately provided for in the financial statements.

AUDITORS

The auditors, Logic Professional Services (Chartered Accountants), having indicated their willingness, be considered for re-appointment as External Auditors to the Company in accordance with section 357(2) of the Companies and Allied Matters Act (CAMA), CAP C20 LFN 2020. A resolution would be proposed to authorize the Directors to fix their remuneration.

By the order of the Board

City Secretaries Limited

Company Secretary
Lagos - Nigeria



Date:31/07/2026.....

CORPORATE GOVERNANCE REPORT

1. Introduction

Hillcrest Agro Allied Industries Limited (“the company”) is committed to improving shareholders’ value through transparent conduct of its business. The company benchmarks itself against local and international best practices. The Code of Corporate Governance of Hillcrest Agro Allied Industries Limited provides the basis for promoting the highest standards of corporate governance in the Company. The Company is governed by a framework that facilitates checks and balances and ensures that appropriate controls are put in place. The Corporate Governance practices of the Company are designed to ensure accountability of the Board and Management to Stakeholders.

The business of the Company is driven by the Board of Directors, which exercises its oversight function through its various senior management staff employed to set broad policy guidelines, and to ensure the proper management and direction of the company on a regular basis.

2. GOVERNANCE STRUCTURE

Board of Directors

The Board of Hillcrest Agro Allied Industries Limited comprised five (5) members during the year ended 31st December 2025. The directors are listed in the Directors’ report. The Board is made up of a crop of seasoned professionals who have excelled in their various professions and possess the requisite integrity, skills and experience to bring independent judgment to bear on board deliberations.

The primary purpose of the board is to provide strategic directions for the Company in order to deliver long term value to shareholders through its general supervision of the company’s business.

Other functions of the Board include:

- To review management succession plans and determines their compensation.
- To ensure that the company operates ethically and complies with applicable laws and regulations.
- To approve capital projects and investments
- To consider and approve the annual budget of the company and monitor its performance.
- To ensure that adequate system of internal control; financial reporting and compliance are in place.
- To ensure that an effective risk management process exists and is sustained.
- To constitute Board Committees and determine their terms of reference and procedures; including reviewing and approving the reports of these committees.

The board strives to meet quarterly and additional meetings are convened as required. Material decisions may be taken between meetings by way of written resolution, as provided for in the Articles of Association.

Board of Directors

NAME	DESIGNATION
Alade Olufemi	Chairman
Ayodele Olusegun Alade	Managing Director
Grace Oladunjoye	Non-Executive Director
Openiyi Alade	Non-Executive Director
Alade Olushola	Non-Executive Director
Innocent Okuku	Independent Director
Kolawole Durojaiye	Independent Director

MEMBER	DESIGNATION	NO. OF MEETINGS	ATTENDANCE
Alade Olufemi	Chairman	4	4
Ayodele Olusegun Alade	Member	4	4
Grace Oladunjoye	Member	4	4
Openiyi Alade	Member	4	4
Alade Olushola	Member	4	4
Innocent Okuku	Member	4	4
Kolawole Durojaiye	Member	4	4

MANAGEMENT TEAM

The management of the Company consists of the following members: -

MEMBER	DESIGNATION
Ayodele Alade	Managing Director
Oladele Adesokan	Chief Finance Officer
Sikiru Obadara	Head of Finance
Oluwafemi Olajide	Head of Sourcing & Supply Chain
Babatunde Salau	Head of Internal Controls
Musa Galabu	Plant Manager



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info@logicprofessionalservices.com
(Member-Public Practice Section of ICAN)

INDEPENDENT AUDITORS' REPORT

To the Members of **Hillcrest Agro Allied Industries Limited**

Report on the financial statements

We have audited the accompanying financial statements of Hillcrest Agro Allied industries Limited, which comprise the Statement of financial position as at 31st December 2025, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 27.

Directors' responsibility for the financial statements

The company's directors are responsible for the consolidated and separate financial statement that gives a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria, the Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

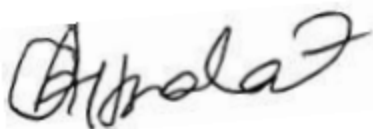
In our opinion, the financial statements give a true and fair view of the financial position of Hillcrest Agro Allied Industries Limited ("the company") for the year ended 31st December 2025 and of the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in manner required by the Companies and Allied Matters Act of Nigeria, and the Financial Reporting Council of Nigeria Act, 2011

Report on Other Legal and Regulatory Requirements

Compliance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the Company's statement of financial position and consolidated and separate statement of profit or loss and other comprehensive income are in agreement with the books of account.

Signed:



For: **Logic Professional Services**
Chartered Accountants
Lagos, Nigeria



Engagement Partner: **Olatunde Ijiola**
FRC/2014/ICAN/00000006297

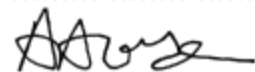


**STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2025**

	Note	2025 N	2024 N
NON CURRENT ASSETS			
- Property, Plant & Equipment	4	20,551,860,237	21,338,854,067
- Unquoted Investment	6	36,252,670	36,252,670
- Investment In Fixed Deposit	5	117,261,792	104,723,252
Total Non Current Assets		20,705,374,699	21,479,829,989
CURRENT ASSETS			
- Inventory	7	5,968,365,267	1,783,672,865
- Trade Receivables	8	1,013,500,000	-
- Other Receivables	9	2,857,059,042	211,122,247
- Cash and Cash Equivalent	11	1,738,593,424	301,663,397
Total Current Assets		11,577,517,733	2,296,458,510
TOTAL ASSETS		32,282,892,432	23,776,288,498
LIABILITIES			
CURRENT LIABILITIES			
- Trade Payable	12	346,401,488	234,206,703
- Deposit by Customers	13	725,322,887	3,086,600,104
- Other Payables	14	126,189,151	100,111,544
- Bank Loan	16	8,018,436,406	14,169,251,129
- Current Tax Payable	18	206,781,206	158,511,881
Total Current Liabilities		9,423,131,137	17,748,681,362
Non Current Liabilities			
- Bank Loan	15	18,990,752,531	4,612,175,999
- Borrowing/Overdraft	17	-	100,000,000
Total Non Current Liabilities		18,990,752,532	4,712,175,999
EQUITY			
- Share Capital	19	100,000,000	100,000,000
- Revaluation Reserve	20	311,703,496	311,703,496
- Retained Earnings	21	1,457,305,267	903,727,642
- Director's Fund		2,000,000,000	-
Total Equity		3,869,008,763	1,315,431,138
TOTAL EQUITY AND LIABILITIES		32,282,892,432	23,776,288,499

These financial statements were approved by the Board of Directors on

..... and signed on her behalf by:



Ayodele O. Alade
Managing Director
FRC/2016/IODN/00000015080



Openiyi A. Alade
Director
FRC/2016/IODN/00000015057



Adesokan K. Oladele
Chief Finance Officer
FRC/2014/ICAN/00000010557

The accounting policies and other accompanying notes to the accounts on pages 15 to 27 form an integral part of these financial statements.

INCOME STATEMENT

		2025	2024
	Note	N	N
Revenue	22	16,061,314,424	17,983,416,666
Cost of Sales	23	<u>(12,258,023,552)</u>	<u>(14,279,240,022)</u>
Gross Profit		3,803,290,872	3,704,176,643
Other Income	24	<u>181,007,963</u>	<u>6,603,250</u>
		3,984,298,835	3,710,779,893
Operating Expenses:			
- Administrative Expenses	25	(506,989,377)	(543,109,746)
- Depreciation & Amortization	27	(1,033,270,346)	(1,037,952,361)
- Personnel Cost	26	(304,554,232)	(406,507,118)
Operating Profit on Ordinary Business		<u>2,139,484,881</u>	<u>1,723,210,668</u>
Finance Charges	28	<u>(1,355,802,558)</u>	<u>(1,541,840,865)</u>
Profit for the year before Taxation		783,682,322	181,369,803
Income Tax	30	(235,104,697)	(158,511,881)
Profit After Tax		<u>548,577,625</u>	<u>22,857,921</u>
Gain On Disposal of Assets		5,000,000	-
Profit for the year		<u>553,577,625</u>	<u>22,857,921</u>
Earning Per Share		5.54	0.23

The accounting policies and other accompanying notes to the accounts on pages 15 to 27 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL N	REVALUATION RESEERVE N	RETAINED EARNINGS N	TOTAL EQUITY N
For the year ended 31 December 2025				
As at 1 January 2025	100,000,000	311,703,496	903,727,642	1,315,431,138
Increase in Share Capital	-	-	-	-
Profit for the Year	-	-	553,577,625	553,577,625
Total Comprehensive Income	-	-	-	-
At 31 December 2025	100,000,000	311,703,496	1,457,305,267	1,869,008,763
For the year ended 31 December 2024				
As at 1 January 2024	50,000,000	311,703,496	930,869,720	1,292,573,216
Profit for the Year	-	-	22,857,922	22,857,922
Reversal of Director's Fund	-	-	-	-
Increase in Share Capital	50,000,000	-	(50,000,000)	-
Total Comprehensive Income	-	-	-	-
At 31 December 2023	100,000,000	311,703,496	903,727,642	1,315,431,138

The accounting policies and other accompanying notes to the accounts on pages 15 to 27 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

	2025	2024
	N	N
Cash Flow From Operating Activities		
Profit before taxation	783,682,322	181,369,803
Adjustments for items not involving movement of cash:		
- Gain on Disposal of Assets	5,000,000	-
- Depreciation	1,033,270,346	1,037,952,361
Cashflow from operating activities before working capital changes	1,821,952,668	1,219,322,164
Cashflow from Working Capital Changes		
Inventory	(4,184,692,402)	(187,794,007)
Trade Receivable	(1,013,500,000)	320,000
Other Receivable	(2,645,936,795)	2,187,064
Trade Payable	112,194,785	(111,972,502)
Other Payable	26,077,607	36,264,546
Deposit by customers	(2,361,277,217)	438,986,671
Cash generated from operations	(8,245,181,355)	1,397,313,940
Tax Paid	(186,835,372)	(152,984,459)
Net Cash from Operating Activities	(8,432,016,727)	1,244,329,481
Cashflow from Investing Activities		
Unquoted Investment in Cashew	-	(3,981,000)
Investment in Fixed Deposit	(12,538,540)	-
Purchase of fixed assets	(246,276,516)	(8,564,266,680)
	(258,815,056)	(8,568,247,680)
Cashflow from Financing Activities		
Share Capital	-	50,000,000
Increase in Borrowings	8,227,761,809	7,081,131,122
Director's Fund	2,000,000,000	-
Borrowing/ Overdraft	(100,000,000)	(17,153,670)
	10,127,761,809	7,113,977,452
Net increase / (decrease) in cash and cash equivalents during the year	1,436,930,027	(209,940,750)
Cash and cash equivalents at the beginning of the year	301,663,397	511,604,147
Cash and cash equivalents at the end of the year	1,738,593,424	301,663,397
Represented By:		
Cash & Bank Balance	1,738,593,424	301,663,397
	1,738,593,424	301,663,397

The accounting policies and other accompanying notes to the accounts on pages 15 to 27 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

HILLCREST AGRO-ALLIED INDUSTRIES LIMITED ('HILLCREST') is a company domiciled in Nigeria. The address of the company's registered office and operating address is Km 4, Offa Road, Amberi Village, Ajase Ipo, Kwara State. The principal activity of the Company is Agro Producer of Premium rice and other Agro-Allied Products.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The financial statements comply with the Company and Allied Matters Act, and the Financial Reporting Council of Nigeria Act, 2011.

b. Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise stated.

c. Functional and presentation currency

These financial statements are presented in naira, which is the company's functional currency. Except as otherwise indicated, financial information presented in naira has been rounded to the nearest thousand.

d. Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other resources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future years affected.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all years presented in these consolidated and separate financial statements, unless otherwise stated.

The principal accounting policies adopted in the preparation of these financial statements are set out below:

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

a. Income Recognition: Sale of Goods & Services

Revenue from sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates.

Revenue is recognized when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is possible, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

b. Financial Income & Finance Cost

Finance income comprises interest income on funds invested and dividend income. Interest income is recognized as it accrues in profit or loss, using the effective interest method. Dividend income is recognized in profit or loss on the date that the company's right to receive payment is established.

Finance costs comprise interest expense on borrowings and impairment losses recognized on financial assets. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

c. Current And Deferred Income Tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in OCI.

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

Current tax also includes any tax arising from dividends.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the company has not rebutted this presumption.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Additional taxes that arise from the distribution of dividends by the company are recognized at the same time as the liability to pay the related dividend is recognized. These amounts are generally recognized in profit or loss because they generally relate to income arising from transactions that were originally recognized in profit or loss.

In determining the amount of current and deferred tax, the company considers the impact of tax exposures, including whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgment about future events. New information may become available that causes the company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities would impact tax expense in the year in which such a determination is made.

d. Cash and Cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with commercial companies and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value and are used by the company in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost in the statement of financial position

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

e. Inventories

Inventories are measured at the lower of cost and net realisable value.

f. Property and equipment

i. Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that are directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of Materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as a separate item (major components) of property and equipment.

ii. Subsequent Cost

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

Depreciation is recognised in the statement of comprehensive income on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal company is not depreciated while it is classified as held for sale.

Depreciation is calculated over their estimated useful lives at the following rates:

Plant & Machineries	10 years
Computer & Office Equipment	4 years
Furniture, Fittings & Equipment	5 years
Motor Vehicles – Cars	4 years
Building and Infrastructure	33 years
Freehold Land	Not Depreciated

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's value less costs to sell or the value in use. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. Gains and losses are included in the profit and loss account for the year.

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

iii. De-recognition

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

g. Impairment of non-financial assets

The carrying amounts of the company's non-financial assets other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable company of assets that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h. Provision

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions are determined by discounting the expected future cash flow at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognized when the company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for.

A provision for onerous contract is recognized when the expected benefits to be derived by the company from a contract are lower than unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with the contract.

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

i. Employee benefits

i. Defined contribution plans

Obligation for contributions to defined contribution pension plans are recognized as an expense in profit or loss when they are due to respect of service rendered before the end of the reporting year. Prepaid contribution are recognized to an asset to an extent that a cash refund or a reduction in future payment is available. The company contributes to a defined contribution pension scheme for its employee's obligation in respect of the company contribution to the scheme are recognized as an expense in the profit and loss account in the profit and loss account on an annual basis. The employee and the company contribute 8% and 10% respectively of basis salary, housing, and transport allowance to each employee retirement savings account maintained with their nominated pension fund Administrators.

ii. Short- term employee benefits

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

j. Earnings per share

The company presents basic earnings per share [EPS] for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholder of the company by the weighted average number of the ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholder by the weighted number of ordinary shares adjusted for any bonus shares issued.

k. Borrowing costs

Borrowing costs are interest and other costs incurred by the company in connection with the borrowing of funds. Borrowing cost are recognized as an expense in the year in which they are incurred, except for those that are directly attributable to the acquisition, construction or production of a qualifying asset.

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

1. Leases

Leases are divided into finance and operating leases

i. Operating lease

Leases in which significant portions of the risk and rewards of ownership are retained by another party, the lessor are classified as operating leases

ii. Finance lease

Lease of assets where the company has substantially all the risk and rewards of ownership are classified as finance leases.

Determining whether an arrangement contains a lease

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payment reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Company's incremental borrowing rate.

Leased assets

Assets held by the Company under a finance lease arrangement are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Lease payments

Payments made under operating leases (income and expense) are recognized in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognized as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each year during the lease term so as to produce a constant yearic rate of interest on the remaining balance of the liability.

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

m. Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or the Company has a present obligation as a result of the past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to eventuate.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are never recognized but are disclosed in the financial statements when they arise.

n. Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Where any of the Company entities purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the company's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the company's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

	Computer & Office Equipments	Plant & Machinery	Furniture & Fittings	Motor Vehicle	Land & Building	Total
Cost/Valuation	N	N	N	N	N	N
As at 1/1/2025	112,203,452	23,645,946,074	84,135,624	936,587,067	958,695,644	25,737,567,861
Additions/Revalued	29,263,650	170,359,858	688,580	3,405,000	42,559,428	246,276,516
Disposal	-	-	-	(190,933,363)	-	(190,933,363)
As at 31/12/2025	141,467,102	23,816,305,932	84,824,204	749,058,704	1,001,255,072	25,792,911,014
Depreciation						
As at 1/1/2025	8,267,582	3,869,846,121	48,427,834	322,760,606	149,411,651	4,398,713,794
Charge for the year	4,133,791	975,671,811	9,354,769	18,904,275	25,205,700	1,033,270,346
Disposal	-	-	-	(190,933,363)	-	(190,933,363)
As at 31/12/2025	12,401,373	4,845,517,932	57,782,603	150,731,518	174,617,351	5,241,050,777
Net Book Value						
As at 31/12/2025	129,065,729	18,970,788,000	27,041,601	598,327,186	826,637,721	20,551,860,237
As at 31/12/2024	103,935,870	19,776,099,953	35,707,790	613,826,461	809,283,993	21,338,854,067

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

	2025	2024
	N	N
5 INVESTMENT		
Fixed Deposit	<u>117,261,792</u>	<u>104,723,252</u>
6 Unquoted Investment		
Investment in Cashew Plantation	<u>36,252,670</u>	<u>36,252,670</u>
7 INVENTORIES		
Inventories are stated at lower of cost and net realizable value. The cost of inventories includes raw materials, work-in-progress (WIP) and finished goods. Net realizable value is estimated selling price in ordinary course of business.		
The closing inventories of the company as at 31st December 2025 include:		
By Product (Husk)	-	775,296,132
Finished Goods	5,417,314,837	51,080,627
Consumables	143,490,469	129,647,386
Raw-Materials	354,245,806	750,321,980
Packaging Materials	53,314,155	68,696,988
Spare Parts	-	8,629,752
	<u>5,968,365,267</u>	<u>1,783,672,865</u>
8 TRADE AND OTHER RECEIVABLES		
Trade receivables include amounts owned to the Company by its customers who bought goods on credit that are past due more than 30 days as at the reporting date.		
Account Receivables	1,013,500,000	-
	<u>1,013,500,000</u>	<u>-</u>
9 OTHER RECEIVABLES		
Other Receivables	2,857,059,042	211,122,247
	<u>2,857,059,042</u>	<u>211,122,247</u>
11 CASH AND CASH EQUIVALENT		
For the purpose of statement of cash flow, cash and cash equivalent includes cash-in-hand and at banks. Cash and Cash equivalents at the end of the reporting period as shown in the statement in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:		
Cash and Cash Equivalent	1,738,593,424	301,663,397
	<u>1,738,593,424</u>	<u>301,663,397</u>
12 TRADE PAYABLES		
Account Payables	346,401,488	234,206,703
	<u>346,401,488</u>	<u>234,206,703</u>
13 DEPOSIT BY CUSTOMERS		
Deposit by Customers	725,322,887	3,086,600,104
	<u>725,322,887</u>	<u>3,086,600,104</u>
14 OTHER PAYABLES		
Accruals and Provisions	126,189,151	100,111,544
	<u>126,189,151</u>	<u>100,111,544</u>

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

	2025 N	2024 N
15 NON-CURRENT: BANK LOAN		
Principal Loan	18,990,752,531	4,612,175,999
	18,990,752,531	4,612,175,999
16 CURRENT: BANK LOAN		
Principal Loan	8,018,436,406	14,169,251,129
	8,018,436,406	14,169,251,129
17 BORROWINGS/OVERDRAFT		
Overdraft Principal	-	100,000,000
	-	100,000,000
18 CURRENT INCOME TAX PAYABLE		
Balance, beginning of the year	158,511,881	152,984,459
Charge for the year <i>(Note 30a)</i>	235,104,697	158,511,881
Payments during the year	(186,835,372)	(152,984,459)
Balance, end of the year	206,781,206	158,511,881
19 SHARE CAPITAL		
Ordinary share capital is recognised at par value at N1 per share and classified as share capital in the equity.		
100,000,000 ordinary shares of N1.00 each	100,000,000	100,000,000
20 REVALUATION RESERVE	311,703,496	311,703,496
21 REVENUE RESERVE		
Retained earnings are the portion of a business's profits that are not distributed as dividends to shareholders but instead are reserved for reinvestment back into the business.		
Balance brought forward	903,727,642	930,869,720
Increase in Share Capital	-	(50,000,000)
Transfer from profit and loss account	553,577,625	22,857,922
Balance carried forward	1,457,305,267	903,727,642

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

	2025	2024
	N	N
22 REVENUE		
Sales	16,061,314,424	17,983,416,666
	16,061,314,424	17,983,416,666
23 COST OF SALES		
Opening Stock	1,783,672,865	1,595,878,859
Add: Purchases	9,861,370,736	12,146,887,447
Less: Closing Stock	(1,181,054,121)	(1,783,672,865)
	10,463,989,480	11,959,093,441
23b Direct Expenses		
Other Direct cost	1,376,420,746	1,792,012,266
Factory Consumables	313,827,276	495,477,515
Selling and Distribution Expenses	103,786,050	32,656,800
	12,258,023,552	14,279,240,022
24 OTHER INCOME		
Other Income	181,007,963	6,603,250
	181,007,963	6,603,250
	2025	2024
	N	N
25 ADMINISTRATIVE EXPENSES		
Expatriate Management	-	12,938,000
Repair & Maintenance	47,979,635	47,605,144
Cleaning & Sanitation	3,389,411	2,744,741
Telephone and Postages	-	2,360,500
Transport/Travelling & Accommodation Expense	36,138,791	54,254,729
Legal & Professional Fees	210,680,454	155,622,782
Printing and Stationeries	1,948,384	3,590,566
Medical Expenses	7,494,400	10,438,700
External Truck Hire Selling & Distribution	36,468,163	34,715,550
Rent	9,441,417	21,721,100
Research and Development	1,036,500	-
Insurance	34,538,143	59,075,533
Dues and Subscriptions	3,848,393	4,841,236
Security and Safety Health Environment	27,091,906	53,434,790
Office Running Expenses	55,677,570	18,679,762
Training and Development	2,249,000	2,371,000
Marketing Expenses	13,714,354	-
Audit Fees	-	5,000,000
Computer & Internet Expense	7,004,665	568,500
Entertainment	2,288,191	3,180,093
Electricity	-	39,217,020
Directors Fees	6,000,000	10,750,000
	506,989,377	543,109,746

NOTES TO THE FINANCIAL STATEMENTS – (CONT'D)

	2025 N	2024 N
26 PERSONNEL COST	304,554,232	406,507,118
27 DEPRECIATION & AMORTIZATION		
Depreciation- Computer & Office Equipment	4,133,791	4,133,791
Depreciation -Land & Building	975,671,811	25,205,700
Depreciation - Furniture and Fittings	9,354,769	9,354,769
Depreciation - Motor Vehicle	18,904,275	23,586,292
Depreciation - Plant & Equipment	25,205,700	975,671,809
	1,033,270,346	1,037,952,361
28 FINANCE CHARGES		
Bank Charges & Interest	1,355,802,558	1,541,840,865
	1,355,802,558	1,541,840,865
29 PROFIT/(LOSS) BEFORE TAXATION		
The profit/(loss) for the year has been arrived at after charging:		
- Auditors' remuneration	-	5,000,000
- Depreciation	1,033,270,346	961,968,571
30 TAXATION PROVISION		
a) Income Tax:		
Tax provision is based on the profit for the year:		
- Income tax	183,376,422	121,932,216
- Education tax	51,728,275	36,579,665
Charge to profit and loss account	235,104,697	158,511,881
Balance brought forward	158,511,881	152,984,459
	393,616,579	311,496,340
Tax paid during the year	(158,511,881)	(152,984,459)
Balance carried forward	235,104,697	158,511,881
31 Contingent liabilities, claims and litigation		
The company had no litigations pending at year-end (31 December 2024): No litigations involving the company and its customers in the ordinary course of business.		
32 Contraventions		
The Company did not pay any penalty in 2025 (31 December 2024: Nil).		
33 Events after the reporting date		
There were no events after the reporting date which could require adjustment to, or disclosure in, these financial statements.		

STATEMENT OF VALUE ADDED

	2025		2024	
	N	%	N	%
Turnover	16,061,314,424	462	17,983,416,666	568
Bought in Goods and Services	<u>(12,584,004,966)</u>	<u>(362)</u>	<u>(14,815,746,519)</u>	<u>(468)</u>
Value Added	<u>3,477,309,458</u>	<u>100</u>	<u>3,167,670,147</u>	<u>100</u>

Applied as Follows:

To Pay Employees:

- Salaries and Wages	304,554,232	9	406,507,118	13
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To Pay Government:

- Taxation	235,104,697	7	158,511,881	5
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To Pay Providers of Capital

- Interest on Loans/Overdrafts	1,355,802,558	39	1,541,840,865	49
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To Provide for Maintenance of Assets and Expansion:

- Depreciation	1,033,270,346	30	1,037,952,361	33
- Retained profit	<u>548,577,625</u>	<u>16</u>	<u>22,857,921</u>	<u>1</u>

Value Added	<u>3,477,309,458</u>	<u>100</u>	<u>3,167,670,147</u>	<u>100</u>
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Value added represents the additional wealth which the company has been able to create by its own and its employee's efforts. The statement shows the allocation of that wealth between employees, shareholders, government and that retained for future creation of more wealth.