

PAYAZA AFRICA LIMITED

**Annual Reports and Financial Statements
31 December 2024**

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Corporate Information

Directors	<p>Name</p> <p>Okwulehie Samuel Ebenezer Seyi Samuel Akinyele Philip Blessing Ekwonna Tochukwu Nonye Odeyinde Oluwanifemi Abimbola Ayodele Ifelade Emmanuel Ajaegbu Bright Chigozie Oseni Ezekiel Bankole Bukola Oladunjoye Afolabi Olufore Abimbola Wycliffe Onyema Oscar Nduka</p> <p>Designation</p> <p>Board Chairman Managing Director Executive Director Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director</p>
Registered Office	<p>301 Jide Oki Street, Victoria Island, Lagos.</p>
Website	<p>www.payaza.africa</p>
Auditor	<p>Deloitte & Touche Civic Towers Plot GA1, Ozumba Mbadiwe Avenue, Victoria Island, Lagos State, Nigeria.</p>
Company Solicitors	<p>The New Practice (TNP) 50 Raymond Njoku St, Ikoyi, Lagos State</p>
Bankers	<p>Providus Bank Limited Globus Bank Limited United Bank for Africa Plc Premium Trust Bank Limited Zenith Bank Plc Polaris Bank Limited</p>
RC No.	<p>RC1909200</p>

Directors' Report

The directors submit their report together with the audited financial statements for the year ended 31 December 2024, to the members of Payaza Africa Limited. This report discloses the financial performance and state of affairs of the Company.

Incorporation and address

Payaza Africa Limited was incorporated in Nigeria on 23 March, 2022 under the Companies and Allied Matters Act as a limited liability company, and is domiciled in Nigeria. The Company however commenced operations in July 2022.

Principal activity

The principal activity of the company is provision of digital payment platform which offers seamless payment processing services and mobile payment solutions for businesses of all size.

Operating results and dividends

The summarised results of the company's performance are presented below:

	31-Dec-24 N'000	31-Dec-23 N'000
Profit before tax	9 976 673	5 030 524
Income tax expense	(2 710 137)	(1 731 382)
Profit for the year	<u>7 266 536</u>	<u>3 299 142</u>

No dividend has been recommended by the directors in the year.

Directors

The directors who held office during the period and to the date of this report are set out on page 3.

Directors' interest in shares of the Company

The directors who held office during the period and to the date of this report together with their direct and indirect interests in the issued share capital of the Company as recorded in the register of directors' shareholdings and/or as notified by the directors for the purposes of sections 301 of the Companies and Allied Matters Act were as follows:

Shareholders	<u>Number of shares held</u> <u>('Millions)</u>	<u>%</u> <u>Shareholding</u>
Ebenezer Seyi Samuel	1 400	70%
Akinyele Philip Blessing	300	15%
Ekwonna Tochukwu Nonye	200	10%
Atomori Tolulope Dorcas	100	5%
Total	<u>2 000</u>	<u>100%</u>

None of the Directors have made any disclosure of any interest in the contract involving the company in accordance with Section 303 of the Companies and Allied Matters Act, 2020

Employment of physically-challenged persons

The Company maintains a policy of giving equal opportunities and fair consideration to applications for employment by both able and physically-challenged persons having regard to their particular aptitudes and abilities, to develop their experience and knowledge and to qualify for promotion in furtherance of their respective careers. However, as at 31st December 2024, no physically challenged person was in the employment of the Company.

Employee health, safety and welfare

Health and safety regulations are in force within the premises of the Company. The Company provides health insurance cover for all levels of employees.

Employee development and training

The Company places a high premium on consultation with employees on matters affecting them. Formal and informal channels of communication are employed in keeping the staff abreast of various factors affecting the performance of the Company. The Company organizes in-house training for its members of staff, and external courses are arranged where necessary.

Property, plant and equipment

Information relating to changes in property, plant and equipment is disclosed in Note 16 to the financial statements. In the opinion of the directors, the market value of the Company's property, plant and equipment is not less than the carrying value in the financial statements.

Donations

The Company made donations to some non-governmental organisations during the period. In compliance with Companies and Allied Matters Act (CAMA), 2020, the Company made a donation of N32,802,530 to the some non-governmental organisations during the course of the period.

Type	Amount (NGN)
Payaza Foundation - Community	32 802 530

Events after reporting period

There were no events after reporting date which could have had a material effect on these financial statements which have not been considered.

Independent auditors

In accordance with Section 401 of the Companies and Allied Matters Act (CAMA), 2020, Deloitte and Touche was appointed by the Directors during the period under review. In accordance with Section 404 (2), of the Companies and Allied Matters Act (CAMA), 2020, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

By order of the Board


Ayokunle Olowogboyega
Company Secretary
Lagos, Nigeria

16 May 2025

Statement of Directors' Responsibilities**For the preparation and approval of the Financial Statements**

The Directors of Payaza Africa Limited accept responsibility for the preparation of the financial statements that give a true and fair view of the financial position of the entity for the year ended 31 December, 2024, and the results of its operations, cash flows and changes in equity for the year then ended, in accordance with IFRS Accounting standards as issued by International Accounting Standards Board, and in the manner required by the Companies and Allied Matters Act (CAM 2020) of Nigeria, the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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 to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- making an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for:

- designing, implementing and maintaining an effective and sound system of internal controls throughout the Company;
- maintaining adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- preventing and detecting fraud and other irregularities.

Going concern:

The Directors have made an assessment of the Company's ability to continue as a going concern and believe that the Company will remain a going concern in the year ahead.

The financial statements of the entity for the year ended 31 December 2024 were approved by the Board of Directors on 16 May 2025

Signed on behalf of the Board of Directors of the entity by:



Okwulehie Samuel

Chairman of the Board of Directors
FRC/2025/PRO/DIR/003/554923



Ebenezer Seyi Samuel

Chief Executive Officer
FRC/2024/PRO/DIR/003/725336

Certification of Financial Statements

In accordance with section 405 of the Companies and Allied Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the:

- (i) 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
- (ii) 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:

- (i) 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,
- (ii) has evaluated the effectiveness of the company's internal controls within 90 days prior to the date of its audited financial statements, and
- (iii) certifies that company's internal controls are effective as of that date;

We have disclosed:

- (i) All significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and has identified for the company's auditors any material weaknesses in internal controls, and
- (ii) Whether or not, there is any fraud that involves management or other employees who have a significant role in the company's internal control; and
- (iii) 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 entity for the year ended 31 December 2024 were approved by the Board of Directors on 16 May 2025.

Signed on behalf of the Board of Directors of the entity by:



Ekwonna Tochukwu Nonye
Chief Financial Officer
FRC/2024/PRO/DIR/003/538967



Ebenezer Seyi Samuel
Chief Executive Officer
FRC/2024/PRO/DIR/003/725336



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Independent Auditor's report

To the Shareholders of Payaza Africa Limited

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of Payaza Africa Limited ("the Company") set out on pages 11 to 49 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, the statement of cash flows for the period then ended, and the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of Payaza Africa Limited as at 31 December 2024, and the financial performance and statement of cash flows for the period then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board, the Companies and Allied Matters Act, 2020, Banks and Other Financial Institutions Act (BOFIA) 2020 and the Financial Reporting Council of Nigeria (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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company 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.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We do not have any key audit matter to report on this audit.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Payaza Africa Limited, Annual Reports and Financial Statements 31 December 2024", which includes the Report of the Directors, the Statement of Director's Responsibility, Certification of Financial Statements, and Other National Disclosures as required by the Financial Reporting Council of Nigeria, which we obtained prior to the date of this auditor's Report. The other information does not include the financial statements and our auditor's report thereon.

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



A full list of partners and directors is available on request.
Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited



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 that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board, the Companies and Allied Matters Act, 2020, Banks and Other Financial Institutions Act (BOFIA) 2020 and the Financial Reporting Council of Nigeria (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 skepticism 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.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Fifth Schedule of Companies and Allied Matters Act, 2020 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 have 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.

The Company was granted waiver on the implementation of Internal Control over Financial Reporting (ICFR) by the Financial Reporting Council of Nigeria (FRCN) for the year ended 31 December 2024.

Not all signatories to the financial statements have fulfilled their statutory obligations to the Financial Reporting Council (FRC) as at 31 December 2024.



For: Deloitte & Touche

Chartered Accountants

Lagos, Nigeria

21 May 2025

Engagement Partner: Joshua Ojo, FCA,
FRC/2013/PRO/ICAN/001/00000000849

Audited Financial Statements
For the year ended 31 December 2024

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2024

	Note	31 December 2024 N'000	31 December 2023 N'000
Revenue from rendering of services	4	20 163 558	9 471 055
Cost of sales	5	(12 102 707)	(5 174 474)
Gross profit		8 060 851	4 296 581
Other income	6	8 814 348	2 651 544
Total operating income		16 875 199	6 948 125
Employee benefits	7	(2 276 210)	(470 253)
Depreciation expense	16	(90 712)	(12 830)
Amortization expense	17	(312 945)	(298 750)
Administrative expense	8	(3 505 614)	(913 768)
Finance cost	9	(713 046)	(222 000)
Operating expenses		(6 898 527)	(1 917 601)
Profit before income tax		9 976 673	5 030 524
Tax expense	10	(2 710 137)	(1 731 382)
Profit for the year		7 266 535	3 299 142
Other comprehensive income			
<i>Items that will subsequently be reclassified to profit or loss</i>		-	-
<i>Items that will not be reclassified to profit or loss in subsequent periods</i>		-	-
Total comprehensive income for the period		7 266 535	3 299 142
Basic earnings per share (kobo)	11	363	3 299

Audited Financial Statements
For the year ended 31 December 2024

Statement of Financial Position
For the year ended 31 December 2024

	Note	31 December 2024 N'000	31 December 2023 N'000
Assets:			
Cash and cash equivalents	12	20 948 726	14 354 382
Trade and other receivables	14	20 822 068	3 320 348
Investment securities	13	177 350	-
Prepayment	15	18 750	18 000
Property and equipment	16	465 411	101 786
Intangible assets	17	2 625 307	2 688 747
Investment property	18	6 712 514	-
Total assets		51 770 126	20 483 263
Liabilities:			
Trade payable	19	9 273 095	8 371 472
Current tax liability	24	1 510 307	739 455
Accruals and other payables	20	813 000	73 130
Bank overdraft	21	3 566 379	-
Commercial paper	22	17 568 943	-
Related party payable	23	4 280 970	6 908 137
Deferred tax liability	25	2 191 756	991 927
Total liabilities		39 204 450	17 084 121
Equity:			
Share capital	26	2 000 000	100 000
Retained earnings		10 565 676	3 299 142
Total equity		12 565 676	3 399 142
Total liabilities and equity		51 770 126	20 483 263

These financial statements were approved by the board of directors on 16 May 2025 and signed on behalf of the board of directors by the directors listed below:



Okwulehie Samuel (Board Chairman)
FRC/2025/PRO/DIR/003/554923



Tochukwu Ekwonna (Chief Financial Officer)
FRC/2024/PRO/DIR/003/538967

The notes on pages 15 to 49 are an integral part of these financial statements.

Statement of Changes in Equity
For the year ended 31 December 2024

	Share capital	Retained earnings	Total equity
	N'000	N'000	N'000
Balance as at 1 January 2024	100 000	3 299 142	3 399 142
Share capital issued	1 900 000	-	1 900 000
Profit for the year	-	7 266 535	7 266 535
Balance as at 31 December 2024	2 000 000	10 565 676	12 565 676

	Share capital	Retained earnings	Total equity
	N'000	N'000	N'000
Share capital issued	100 000	-	100 000
Profit for the year	-	3 299 142	3 299 142
Balance as at 31 December 2023	100 000	3 299 142	3 399 142

Audited Financial Statements
For the year ended 31 December 2024

Statement of Cashflows

For the year ended 31 December 2024

	Notes	31 December 2024 N'000	31 December 2023 N'000
Cash flows from operating activities			
Profit before tax for the year		9 976 673	3 299 142
Adjustments for non-cash item:			
Depreciation expenses	16	90 712	12 830
Effect of foreign exchange	6	4 720 801	1 534 924
Amortization	17	312 945	298 750
Fair value gain on investment property	18	(3 304 829)	-
Finance cost	9	713 046	1 731 382
		12 509 347	6 877 028
Changes in working capital:			
Increase in trade and other receivables		(17 501 720)	(3 320 348)
Increase in other payable		739 870	73 130
Increase in prepayment		(750)	(18 000)
Decrease in trade payable		901 623	8 371 472
Decrease in related party payable		(2 627 167)	6 908 137
		(5 978 796)	18 891 419
Income tax paid	21	(739 455)	-
Net cashflows from operating activities		(6 718 251)	18 891 419
Cash flows from investing activities			
Purchase of property and equipment	15	(454 336)	(114 617)
Acquisition of investment property	18	(3 407 685)	-
Acquisition of intangible asset	16	(249 505)	(2 987 496)
Equity investment	13	(177 350)	-
Net cash used in investing activities		(4 288 877)	(3 102 113)
Cash flows from financing activities			
Proceed from share capital issued	26	1 900 000	100 000
Commercial paper	21	17 568 943	
Bank overdraft financing		3 566 379	-
Finance cost		(713 046)	
Net cash flows from/(used in) financing activities		22 322 276	100 000
Net increase in cash and cash equivalents		11 315 146	15 889 306
Effect of foreign exchange	6	(4 720 801)	(1 534 924)
Cash and cash equivalents at the beginning		14 354 382	-
Cash and cash equivalents at end of year	12	20 948 726	14 354 382

Notes to the Financial statements**1 Reporting Entity**

Payaza Africa Limited is domiciled in Nigeria and was incorporated under the Companies and Allied Matters Act, 2020 as a limited liability company on 23 March 2022. The Company's registered office is 11a Oko Awo Street, Victoria Island, Lagos.

The entity primarily provides digital payment platform which offers seamless payment processing services and mobile payment solutions for businesses of all size.

2 Basis of Preparation**a. Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

b. Basis of measurement

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

c. Functional and presentation currency

These financial statements are presented in Nigerian Naira (₦) in line with rule 8 of the Financial Reporting Council of Nigeria. The Company's functional currency is Nigerian Naira (NGN). All amounts have been rounded to the nearest thousands, unless otherwise indicated.

d. Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods affected.

(i) Assumptions and estimation uncertainties

There were no information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2024.

(ii) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial instruments. Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Board of Directors.

Notes to the Financial statements**e. Standards and interpretations effective for the current period**

In the current period, the Company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

(i) 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 group 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.

(ii) 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.

(iii) 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).

Notes to the Financial statements**(iii) Amendments to IAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants**

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.

(iv) 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.

(v) IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures

Effective for annual periods beginning on or after 1 January 2024 with earlier application permitted.

The introduction of IFRS S1 and S2 requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

The Company acknowledges the requirements of IFRS S1 and S2 for disclosing sustainability-related financial information and is in its initial stage of implementing these standards. Active work is ongoing by management to gather the necessary data to provide a comprehensive disclosure in future reporting periods.

Notes to the Financial statements**f. Standards and interpretations not yet effective**

The Company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Company's accounting periods beginning on or after 1 January 2024 or later periods. The Company is still assessing the impact of these new standards.

(i) 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).

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.

(ii) 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.

Notes to the Financial statements**(ii) IFRS 18 Presentation and Disclosures in Financial Statements**

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.

(iii) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—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 was 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 term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements.
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers.
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement.

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

(iv) Amendment 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 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 are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact. 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.

Notes to the Financial statements**(iv) 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.

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).

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.

Notes to the Financial statements**3 Material accounting policies**

The accounting policies set out below have been applied consistently in the period presented in the financial statements.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

3.2 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue over time and at a point in time as service is rendered to a customer.

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 recognised revenue when it transfers fulfils the obligation to convey funds to the third party as communicated by Merchants.

Revenue comprises of revenue earned from payouts, MPGS (Mastercard Payment Gateway Service) and branches transactions.

3.3 Finance cost

Finance cost comprises interest expense on borrowings, unwinding of discount on provisions and changes in the fair value of financial assets at fair value through profit or loss where the company holds such financial assets and impairment losses recognized on financial assets other than trade receivables.

3.4 Pension Fund Obligations

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

The company has a defined contribution scheme. The defined contribution scheme is funded by contributions from the company and employees. Funding under the scheme is 8% each by staff and 10% by the company based on annual basic salary, housing and transport allowances in line with the Pension Reform Act 2014.

Liabilities in respect of the defined contribution scheme are charged against the profit of the period in which they become payable. Payments are made to Pension Fund Administration Companies, who are appointed by respective staff of the Company.

Notes to the Financial statements

3.5 Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after service is rendered) such as paid vacation, leave pay, sick leave and bonuses are recognised in the period in which the service is rendered and is not discounted. The expected loss of short-term accumulating compensated absences is recognised as an expense as the absences occur. The expected cost of bonus payment is recognised as an expense when there is a legal or constructive obligation to make payment as a result of past performance.

Provision for leave pay and bonuses are recognised as a liability in the financial statements.

3.6 Tax Expense

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

3.7 Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date and is assessed as follows:

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

Nigeria Police Trust Fund levy

The Nigeria Police Trust Fund Act requires Companies operating a business in Nigeria to pay a levy of 0.005% of their net profit to the trust fund. Net profit is defined as profit after deducting all expenses and taxes from revenue earned by the Company during the year.

Information technology levy

This represents 1% of profit before tax in accordance with the provision of section 12(2a) of the Nigerian Information Technology Development Agency Act (NITDA) 2007.

Education tax

By the amendments to Section 1(2) of the Tertiary Education Tax (TET) Act, the rate of TET changed from 2.5% to 3% of assessable profits in line with the provision of the Finance Act 2023. This new rate (3%) shall take effect for TET becoming due in respect of the accounting period ending on or after 1st September 2023.

Notes to the Financial statements**3.8 Deferred tax**

Deferred tax is recognised 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 recognised 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
- * temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities against current tax 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 realised simultaneously.

Additional taxes that arise from the distribution of dividends by the Bank are recognised at the same time as the liability to pay the related dividend is recognised.

3.9 Deferred tax assets

Additional taxes that arise from the distribution of dividends by the Bank are recognised at the same time as the liability to pay the related dividend is recognised.

3.10 Deferred tax liabilities

Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

3.11 Cash and Cash Equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with commercial banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the entity in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Notes to the Financial statements**3.12 Financial instruments****(i) Recognition and initial measurement**

The Company initially recognizes financial assets and financial liabilities (including assets and liabilities designated at fair value through profit or loss) on the transaction dates at which the Company becomes a party to the contractual provisions of the instrument.

All financial assets or financial liabilities are measured initially at their fair value plus transaction costs that are directly attributable to its acquisition or issue, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

(ii) Classification and subsequent measurement**Financial assets**

On initial recognition, a financial asset is classified as measured at: amortised cost, Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVTPL).

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI).

Financial liabilities- Classification, subsequent measurement and gains and losses

The Company classifies its financial liabilities as measured at amortised cost or fair value through profit or loss (FVTPL). A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(iii) Derecognition**Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

On derecognition of financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset transferred), and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in other comprehensive income is recognized in statement of profit or loss.

Notes to the Financial statements**Financial liabilities**

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

On derecognition of a financial liability, the difference between the carrying amount extinguished and the considerations paid (including any noncash assets transferred or liabilities assumed) is recognized in profit or loss.

(iv) Modification of financial assets and financial liabilities**Financial assets**

If a modification is carried out on financial assets because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

Financial liabilities

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability derecognized and consideration paid is recognized in profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognized in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognized as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(v) Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company currently has a legal right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability. Income and expenses are presented on a net basis only when permitted under IFRS.

Notes to the Financial statements**(vi) Fair value measurement**

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

3.13 Impairment of non-financial assets

The Company’s non-financial assets with carrying amounts 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.

The recoverable amount of an asset or cash-generating unit 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.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in the statement of profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

3.14 Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those classified by the Company as fair value through profit or loss.

Other receivables includes prepayment and other tax receivables. Prepayments include costs paid relating to subsequent financial years and are measured at cost less amortization for the year. The Company recognises prepaid expense in the accounting period in which it is paid. Prepayments are essentially prepaid expenses. Other receivables are initially recognized at fair value and subsequently remeasured at amortized cost less provision for impairment.

Notes to the Financial statements**3.15 Property plants and equipment*****(i) Recognition and measurements***

Items of property and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

(b) 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 costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(c) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. 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 Non-current Assets Held for Sale and Discontinued Operations.

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

IT Equipment	5 years
Computer Software	4 years
Office equipment	5 Years
Office Renovation	5 Years
Office Furniture	5 Years
Motor Vehicles	4 Years
Plant and equipment	5 Years

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

(d) 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.

Notes to the Financial statements

3.16 Intangible Assets

(i) Intangible assets acquired separately

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 lives for this asset is 10years.

(ii) Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated Warehoused in intangible assets is the MPGS Payment Gateway developed by the Company. Software is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the software can be measured reliably. Expenditure that forms part of the cost of software that meets the recognition criteria are capitalized as part of the software. Software is accounted for using the cost model. After initial recognition, the software is carried at cost less accumulated amortization and any accumulated impairment losses.

(ii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Notes to the Financial statements**3.17 Investment Property**

Investment properties are properties held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services, or for administrative purposes, or sale in the ordinary course of business. The Company applies the fair value model in accounting for investment property in accordance with IAS 40. Under the fair value model, investment property is carried at fair value, which is remeasured at each reporting date. Gains or losses arising from changes in the fair value of investment property are recognized in profit or loss in the period in which they arise. No depreciation is charged on investment property under the fair value model.

Fair Value Measurement

The fair value of the investment property has been determined by an independent external valuer, who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

The valuation was based on the market approach, which reflects recent prices for similar properties in the same location and condition. The valuer used observable market data to the extent possible, and where not available, used assumptions based on best available information. Investment property is classified as Level 2 in the fair value hierarchy.

3.18 Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance.

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

3.19 Borrowings

Borrowings are recognized initially at fair value, are subsequently stated at amortized cost. Any difference between the proceeds and redemption value is recognized in the income statement over the period of the borrowing using effective interest rate method. Fees paid on the establishment of loan facilities are recognized as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date.

Notes to the Financial statements**3.20 Share Capital**

Ordinary shares are classified as equity in statement of financial position. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where entity purchases the entity'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 until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

3.21 Other reserve

Other reserves comprise of the difference between the nominal amount of the shareholder's loan and its fair value. This reserve remains in the books until the expiration of the loan when it would reclassified to retained earnings.

3.22 Dividend

Dividends on ordinary shares are recognized in equity in the period in which they are approved by the Company's shareholders. Dividends for the year that are declared after the date of the statement of financial position are dealt with in the subsequent events note. Dividends proposed by the directors but not yet approved by members are disclosed in the financial statements in accordance with the requirements of the Companies and Allied Matters Act of Nigeria (2020).

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.

NOTES TO THE FINANCIAL STATEMENTS

	31 December 2024	31 December 2023
	N'000	N'000
4 Revenue		
Payout (see a below)	227 074	104 941
Local collections (Branches) (see b below)	54 591	48 002
International collections (MPGS) (see c below)	19 881 893	9 318 112
	20 163 558	9 471 055

- (a) Payout revenue is derived from fees charged for facilitating fund transfers or withdrawals from merchants' digital wallets. Revenue is recognized when funds are successfully transferred out of the merchants wallet, subject to the successful completion of the transaction.
- (b) Payaza Africa partners with merchants who have multiple physical locations and handles the collection, processing, and settlement of payments on behalf of these merchants. Revenue is recognized upon the settlement of transactions collected on behalf of merchant partners, typically on a T+1 or T+2 basis depending on the time arrangement..
- (c) International Collections: MPGS stands for Mastercard Payment Gateway Solution. This represents revenue derived from fees charged for processing international transactions through the Mastercard payment gateway platform. At the end of the reporting period, the foreign currency revenue (USD) is translated into the functional currency (Naira) using the applicable exchange rate for the period.

	31-Dec-24	31-Dec-23
	N'000	N'000
5 Cost of sales		
Cost of sales for rendering services	12 102 707	5 174 474
	12 102 707	5 174 474

Cost of sales relates to direct cost of transaction processing such as fees charged by partner banks, stamp duty, NIP charges and other fees directly attributable to revenue performance obligations to merchants.

	31-Dec-24	31-Dec-23
	N'000	N'000
6 Other income		
Interest income (see a below)	278 417	11 897
Exchange Gain or Loss (see b below)	4 720 801	1 534 924
Other income (see c below)	510 301	1 104 723
Fair value gain/loss on property (see d below)	3 304 829	-
	8 814 348	2 651 544

- (a) Interest income relates to income earned on placement with partnering banks during the period.
- (b) The Company transacts in other currencies and is exposed to foreign exchange risk, primarily the US Dollar. The exchange gain arises from translation of foreign denominated bank balances and revenue transactions (MPGS Revenue) which is greatly impacted due to the increase in the US Dollar exchange rate from N906.25/\$1 in January 2024 to N1,549 to US\$1 in December 2024 after the unification of all segments of the forex market by the Central Bank of Nigeria.
- (c) Other income represents income from partnering banks for using their platform for processing payment. The partnering banks are; Providus Bank Plc, United Bank for Africa Plc, Globus Bank Limited and Zenith Bank Plc which is determined based on the volume of transactions processed on behalf of Payaza Africa.
- (d) During the year, the Company recognized a net fair value gain on investment property amounting to ₦3.3billion.

NOTES TO THE FINANCIAL STATEMENTS

	31 December 2024	31 December 2023
	N'000	N'000
7 Employee benefits		
Staff welfare	212 856	191 289
Staff training	10 918	3 000
Staff Pension - Company contribution	62 856	19 813
Medical expenses	11 948	-
Bonus and allowances	825 948	-
Salaries and wages	1 151 684	256 151
	2 276 210	470 253

Staff cost

Employees other than the executive directors, whose duties were wholly or mainly discharged in Nigeria, received emoluments (excluding pension contribution and reimbursable expenses) in the following ranges:

	31-Dec-24	31-Dec-23
	Number	Number
Below N1,000,000	13	7
N 1,000,001 - N 3,800,000	8	13
N3,800,001 - N 6,800,000	16	12
N6,800,001 - N 12,800,000	34	15
Above N 12,800,000	13	7
	84	54

	31-Dec-24	31-Dec-23
	N'000	N'000
8 Administrative expenses		
Directors' expenses	81 562	36 291
Hotel, transport and travelling	791 991	156 029
Rent & rates	24 417	26 269
Advertisement & marketing	-	3 263
Insurance premium	5 051	1 023
Office expense	143 963	58 701
Bank charges and commission paid	315 141	101 856
Internet & subscription	382 088	15 271
Repairs and maintenance	287	3 107
Donations	104 034	32 000
Branding and communication	100 827	-
Entertainment	6 184	9 231
Legal & professional fee (see b below)	341 096	179 256
Sales & marketing expense	90 024	810
IT expense	304 311	91 329
Electricity	13 397	398
Fuel & local transportation	9 055	6 692
Printing and stationery	1 388	2 918
Business expansion cost	222 268	4 650
Business development expenses	168 557	52 930
Event planning	201 705	107 558
Licensing/Regulatory permit	150 768	-
Audit fee (see a below)	47 500	24 188
	3 505 614	913 768

NOTES TO THE FINANCIAL STATEMENTS

- (a) Auditors remuneration relates to the external audit services provided by Deloitte to the company. No other assurance services were rendered by the firm during the financial year.
- (b) Professional fees comprise legal fees, tax consultancy fees, IT and other licensing fee incurred by the company in the year under review.

9 Finance cost	31 December 2024	31 December 2023
Interest expense on overdraft (see a below)	713 046	222 000
	713 046	222 000

- (a) During the period, the company entered into a borrowing arrangement with Globus Bank Limited for an overdraft facility. The interest expense arising from this facility amounts to N713 million.

10 Reconciliation of tax	31-Dec-24 N'000	31-Dec-23 N'000
Nigerian Policy Trust Fund Levy	499	252
NASENI Levy	24 942	
Information Technology Levy	99 767	50 305
Education Tax	148 027	115 252
Company Income Tax	1 237 073	573 646
Deferred tax expense	1 199 829	991 927
	2 710 137	1 731 382
Profit before income tax	9 976 673	5 030 524
Income tax using the corporate tax rate	31%	30%
Non-deductible expenses	-	-
Tertiary education tax	2%	-
Information technology development levy	1%	-
Permanent difference	-	-
Total income tax expense	34%	30%

The income tax included in these financial statements are based on the tax computations as the company's income taxation resulted to a chargeable profit position.

NOTES TO THE FINANCIAL STATEMENTS

11 Earnings per share

	31 December 2024	31 December 2023
Basic earnings per share		
Number of ordinary shares at end of year '000	2 000 000	100 000
Profit for the year attributable to equity holders of the Company (N'000)	7 266 535	3 299 142
Basic earnings per share (in kobo)	363	3 299

The calculation of basic earnings per share as at 31 December 2024 was based on the profit attributable to ordinary shareholders. The diluted earnings per share is calculated using the weighted average number of shares at the reporting date. The company does not have any dilutive potential ordinary shares. Therefore, Basic EPS and Diluted EPS for continuing operations are the same for the company.

12 Cash and cash equivalents

	31-Dec-24 N'000	31-Dec-23 N'000
Cash with banks	15 813 746	10 527 222
Placement with financial institutions	5 134 980	3 827 160
	20 948 726	14 354 382

(a) Cash and cash equivalents comprise balances with less than three months maturity, including cash-in-hand and balances with banks and other financial institutions in Nigeria.

13 Investment securities

	31-Dec-24 N'000	31-Dec-23 N'000
Investment Securities	177 350	-
	177 350	-

14 Trade and other receivables

	31-Dec-24 N'000	31-Dec-23 N'000
MPGS Securities (see 'a')	5 341 544	3 174 298
Intercompany receivables	543 191	56 050
Other receivables	14 937 334	90 000
	20 822 068	3 320 348

(a) Payaza Africa Limited acts as an intermediary facilitating international transactions between its merchants and customers through its Mastercard Payment Gateway Solution (MPGS). To mitigate credit risk associated with these transactions, the partnering banks in turn deducts an element of the fees due to the company on every transaction as a collateral to ensure performance of their obligations to their merchants. The receivable referred to as MPGS Securities, typically comprises of cash which is held by the partnering bank from the company for a maximum tenor of 180 days. The arrangement is confirmed to be a standard industry practice and will be repaid by the banks when appropriate per contract.

(b) The Company has intercompany receivables totalling N543million. This consist of N319million from Blaaz Innovation Technology Limited, N27.4million from Rove 10 Innovation Limited and N196million from Bank 78 Limited. This payable is interest-free and repayable on demand.

15 Prepayment

	31 December 2024 N'000	31 December 2023 N'000
Rent Prepayment	18 750	18 000
	18 750	18 000

NOTES TO THE FINANCIAL STATEMENTS

16 Property, plant and equipment

31 December 2024	IT equipment	Furniture & Fittings	Office Equipment	Motor Vehicle	Total
	N'000	N'000	N'000	N'000	N'000
Cost					
At 1 January	71 213	41 044	2 359	-	114 617
Acquired during the period	226 665	68 911	97 915	60 845	454 336
At 31 December	297 878	109 955	100 274	60 845	568 953
Accumulated depreciation					
At 1 January	9 609	2 648	572	-	12 830
Charge for the year	45 955	17 027	14 768	12 961	90 712
At 31 December	55 565	19 675	15 340	12 961	103 542
Carrying amounts:					
As at 31 December	242 313	90 280	84 934	47 884	465 411

(a) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year.

(b) The entity had no capital commitments as at the end of the reporting period.

31 December 2023	IT equipment	Furniture & Fittings	Office Equipment	Motor Vehicle	Total
	N'000	N'000	N'000	N'000	N'000
Cost					
Acquired during the period	71 213	41 044	2 359	-	114 617
At 31 December	71 213	41 044	2 359	-	114 617
Accumulated depreciation					
Charge for the period	9 609	2 648	572	-	12 830
At 31 December	9 609	2 648	572	-	12 830
Carrying amounts:					
As at 31 December	61 604	38 396	1 787	-	101 786

(a) There were no capitalised borrowing costs related to the acquisition of property and equipment during the year.

(b) The entity had no capital commitments as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

	31 December 2024	31 December 2023
	N'000	N'000
17 Intangible asset		
Cost		
At 1 January	2 987 496	-
Acquired during the period	249 505	2 987 496
At 31 December	3 237 002	2 987 496
Accumulated amortisation		
At 1 January	298 750	-
Charge for the period	312 945	298 750
At 31 December	611 695	298 750
Carrying amounts:		
As at 31 December	2 625 307	2 688 747

The Company's Mastercard Payment Gateway Solution (MPGS) is an internally generated intangible asset. It was developed internally at a cost of N3.2billion and is being amortised over a ten-year useful life on a straight-line basis. The carrying amount of the MPGS as at 31 December 2024 is N2.6billion.

	31 December 2024	31 December 2023
	N'000	N'000
18 Investment property		
Landed property cost	3 407 685	-
Fai value gain/(loss)	3 304 829	-
	6 712 514	-

The investment property is measured using the fair value model in accordance with IAS 40 – Investment Property. The fair value is reviewed annually. As at 31 December 2024, the investment property was revalued by UBOSI ELEH + COMPANY ESTATE SURVEYORS + VALUERS, an independent firm of professional estate surveyors and valuers. The firm is registered with the Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON) and have recent experience in the location and category of the investment being valued.

The valuation was performed using the market comparison approach, which considers recent prices of similar properties in similar locations. Adjustments were made to reflect differences in location, size, condition, and other factors specific to the property.

The fair value measurement is classified as Level 2 under IFRS 13 – Fair Value Measurement.

The Location of the property value and the Financial Reporting Council registration number of the independent estate valuers is as follows:

Property Location	Property Type	Amount (N'000)
Lekki Airport Estate, Seidu/Imare Government Allocation Resettlement Scheme (Airport), Epe Local Government, Lagos state.	Forty (40) plot of land measuring approximately 20,000 square meters.	1 380 000
The Wealthy Place along Folu Eleko Road, Orofun Town, Ibeju-Lekki, Lagos state.	Ten (10) plot of land measuring approximately 5,000 square meters.	327 685

NOTES TO THE FINANCIAL STATEMENTS

Investment property (cont'd)

Property Location	Property Type	Amount (N'000)
At Plot 3, Block 1, Federal Government Layout Along Osborne Road, Phase II, Ilubirin Foreshore, Ikoyi, Lagos Island Local Government Area, Lagos State.	Bareland measuring approximately 2,917.735 square metres.	4 084 829
Delight Estate, Idera City Scheme, Eleko, Ibeju Lekki, Lagos state.	Thirty (30) plot of land measuring approximately 15,000 square meters.	920 000
		6 712 514

Details of the valuer is contained below

Name of valuer	FRC number	Address of valuer
UBOSI ELEH COMPANY ESTATE SURVEYORS VALUERS	FRC/2015/NIESV/00000013406	Nuj Lighthouse 1st Floor, 3/5 Adeyemo Alakija Street, Victoria Island

In valuing the property, it was assumed that:

- All information provided was correct.
- The title to the property is good and marketable.
- The property is free from all onerous restrictions or charges.
- The property is not adversely affected, or subject to compulsory acquisition, road widening, new road proposals or
- A reasonable period within which to negotiate the sale taking into account the nature of the property and the state of
- That the value will remain stable throughout the period of the sale
- The property will be freely exposed to the market.
- The property is held to earn for capital appreciation and not occupied by the Company for its own operations.
- The property is not pledged as security for any borrowing.

NOTES TO THE FINANCIAL STATEMENTS

	31 December 2024	31 December 2023
	N'000	N'000
19 Trade payable		
Merchant accounts	9 273 095	8 371 472
	9 273 095	8 371 472

Trade payables primarily represent amounts owed to merchants for transactions processed through the Company's payment gateway. These funds are held on behalf of merchants and will be remitted to them based on agreed-upon settlement terms.

	31-Dec-24	31-Dec-23
	N'000	N'000
20 Accruals and other payables		
Staff pension payable	-	8 630
Accrued audit fee	32 019	24 188
other payables	726 556	-
PAYE payable	54 156	-
Accrued professional fees	269	40 313
	813 000	73 130

	31-Dec-24	31-Dec-23
	N'000	N'000
21 Bank overdraft		
Bank overdraft	3 566 379	-
	3 566 379	-

The Company maintains a bank overdraft facility with Globus Bank which is repayable on demand and primarily used to manage short-term cash flow needs of the business. The overdraft facility bears an interest rate of 29.75% per annum with a tenor of 12 months.

	31-Dec-24	31-Dec-23
	N'000	N'000
22 Commercial paper		
Commercial paper	17 568 943	-
	17 568 943	-

Payaza Africa Limited is the Issuer of the N50billion commercial paper programme. This programme allows for multiple issuances of the Notes from time to time under a standardized documentation framework. Issuance is done in Series, with a total of 2 series with each being documented in the Applicable Pricing Supplement. Both Series 1 and 2 is still operational. 1st series 181 days maturing June 30 2025, 2nd series 269 days maturing September 30 2025.

NOTES TO THE FINANCIAL STATEMENTS

23	Related party payable	31-Dec-24	31-Dec-23
		N'000	N'000
	Directors' account (a)	4 280 970	6 892 351
	Intercompany payable	-	15 787
		4 280 970	6 908 137

(a) The Company has obtained financing from its directors in the form of loans amounting to N4.2 billion as at 31st December 2024 (December 2023: N6billion). The loans are unsecured, interest-free, and repayable on demand.

24	Current tax liability	31-Dec-24	31-Dec-23
		N'000	N'000
(a)	Current tax expense		
	Company income tax	1 510 307	739 455
	Deferred tax charge/(credit)	1 199 829	991 927
		2 710 137	1 731 382
(b)	Current tax liability		
	Opening balance	739 455	739 455
	Charge for the year	1 510 307	-
	Payment during the year	(739 455)	-
		1 488 953	739 455

25	Deferred tax liability		
	Opening balance	991 927	-
	Movement during the year	1 199 829	991 927
		2 191 756	991 927

NOTES TO THE FINANCIAL STATEMENTS

26 Capital and reserves

(a) Share Capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the entity. All ordinary shares rank pari-passu with the same rights and benefits at meetings of the entity.

	31 December 2024	31 December 2023
	N'000	N'000
(i) Issued and fully-paid up:		
2,000,000,000 ordinary shares of N1 each	2 000 000	100 000

Ordinary shareholding:

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the entity. All ordinary shares rank pari-passu with the same rights and benefits at meetings of the entity.

Increase in ordinary shareholding:

At the meeting of the Board of Directors (the "Board") of Payaza Africa Limited (the Company") duly convened and held on 2nd September 2024 at 301 Jide Oki Street, Victoria Island Lagos, a board resolution was passed that the issued share capital of the Company be increased from one hundred million (100,000,000) ordinary shares of N1 each to two billion (2,000,000,000) ordinary shares of N1 each by the creation of additional one billion, nine hundred million (1,900,000,000) ordinary shares of N1 each.

Details of the Company's new shareholding structure is contained in page 4 of this report.

(b) Retained earnings

Retained earnings are the carried forward recognised income net of expenses plus current year profit attributable to shareholders.

27 Contingencies

There are no litigation claims against the entity as at 31 December 2024.

28 Related parties

Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes associates, joint ventures, parent company, subsidiaries, as well as key management personnel.

(i) Key management compensation

	31-Dec-24	31-Dec-23
	N'000	N'000
Directors emolument	81 562	36 291

NOTES TO THE FINANCIAL STATEMENTS**(ii) Transactions with key management personnel**

Key management personnel has been defined as the executive directors and non-executive directors of the Company. The shareholders of the Company are Seyi Ebenezer (CEO), Tochukwu Ekwonna (Executive Director), Akinyele Philip (Executive Director).

The Company's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the senior management staff and directors of the Company. Close members of family are those family members who may be expected to influence or be influenced by that individual in their dealings with Payaza Africa Limited.

(iii) Parent and ultimate parent

The Company does not have any ultimate parent other than its current shareholders.

(iv) Transactions with the related parties

Key management personnel is defined as the Company's executive and non-executive directors, including their close members of family and any entity over which they exercise control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Bank.

NAME	TRANSACTION TYPE	AMOUNT (N'000)
Directors current account	Payable	4 280 970
Bank 78 Limited	Intercompany receivables	196 491
Rove 10 Innovation Limited	Intercompany receivables	27 408
Blaaiz Innovation Technology Limited	Intercompany receivables	319 291

29 Events after reporting period

There are no other events after the reporting date which could have had a material effect on the financial position of the Company as at 31st December 2024 and the financial performance for the year then ended which have not been taken into account in these financial statements.

30 Going concern

The Directors have assessed the Company's ability to continue as a going concern and have no basis to believe that it will not remain a going concern for at least twelve months from the date of approval of the financial statements. Accordingly, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

31 Disclosure on Waiver from Implementation of ICFR

The Company obtained a formal waiver from the Financial Reporting Council of Nigeria (FRCN) exempting it from the implementation of Internal Controls over Financial Reporting (ICFR) for the financial year ended 31 December 2024. This waiver was granted based on specific considerations communicated to and accepted by the FRCN. Accordingly, ICFR implementation has been deferred as approved.

Notes to the Financial statements**31 Financial risk management****Introduction**

The entity uses its industry and technical skills to provide competitive services to a broad range of customers within Nigeria. Risk management is essential to help ensure business sustainability thereby providing customers and the shareholders with a long term value proposition.

Key elements of risk management are:

- strong corporate governance including relevant and reliable management information and internal control processes.
- Ensuring significant and relevant skills and services are available consistently to the company.
- Influencing the business environment by being an active participant in the relevant regulatory and business forums; and
- Keeping abreast of technology and consumer trends and investing capital and resources where required. The company focus within an appropriate risk framework is to give value to the customers through effective and efficient service delivery. The board of directors acknowledge its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

27.1 Significant Risks

Payaza Africa Limited has exposure to significant risks which are categorised as follows:

- (i) Regulatory, legal, accounting and taxation
- (ii) Business environment (reputation and strategic)
- (iii) Operational (people, info tech and internal control processes)
- (iv) Market (equity prices, interest rates and currency)
- (v) Credit
- (vi) Liquidity

(i) Regulatory Risk

Regulatory risk is the risk arising from a change in regulations in any legal, taxation and accounting pronouncements or specific industry that pertains to the business of the entity. In order to manage this risk, the entity is regulated by the Central Bank of Nigeria.

Legal Risk

Legal risk is the risk that the bank may be exposed to contractual obligations which have not been provided for. The bank has the policy of ensuring all contractual obligations are documented and appropriately evidenced to agreements with the relevant parties to the contacts.

All significant contracted claims are reviewed by independent legal resources and amounts are provided for if there is consensus as to any possible exposure. At 31st December 2024, the directors are not aware of any significant obligations not provided for.

Notes to the Financial statements**Taxation Risk**

Taxation risk is a risk of suffering a loss, financial or otherwise as a result of an incorrect interpretation and application of taxation legislation or due to the impact of new taxation legislation on existing products. A taxation risk occurs in the following key areas:

- Transactional risk
- Operational risk
- Compliance risk
- Financial accounting risk

Transactional Risk

The risk which concerns specific transactions entered into by the bank including restructuring projects and reorganisations.

Operational Risks

The underlying risk of applying tax laws, regulations and decisions to the day to day business operations of the company

Compliance Risk

The risk associated with meeting the company's statutory obligations

Financial Accounting Risk

The risk relates to the inadequacy of proper internal controls over financial reporting including tax provisioning. In managing the entity's taxation risks, the company tax policy is as follows:

- All taxes due by the company are correctly identified, calculated, paid and accounted for in accordance with the relevant tax legislation.
- The company continually review its existing operations and planned operations.

The identification and management of tax risks is the primary objective tax function, and this objective is achieved through the application of a formulated tax risk approach, which measures the fulfilment of the tax responsibilities against the specific requirements of each category of tax to which the company is exposed, in the context of the various types of activities the company conducts.

Accounting Risk

Accounting Risk is the risk that the company fails to explain the current events of the business in the financial statements. Accounting risks can arise from the failure of management to :

- maintain proper books and records, accounting system and to have proper accounting policies.
- establish proper internal accounting controls
- prepare periodic financial statements that reflect an accurate financial position; and
- be transparent and fully disclose all important and relevant matters

Notes to the Financial statements**Accounting Risk**

Measures to control accounting risks are the use of proper accounting systems, books and records based on proper accounting policies as well as the establishment of proper internal accounting controls. Proposed accounting changes are researched by accounting resources, and if required external resources, to identify and advise on any material impact on the company.

Financial statements are prepared in a transparent, manner that fully discloses all important and relevant matters as well as accurately reflecting the financial position, results and cash flows of the company.

(ii) Business Environment Reputational Risk

Reputational risk is the risk of loss caused by a decline in the reputation of the company or any of its specific business unit from the perspective of its stakeholders, shareholders, customers, staff, business partners or the general public. Reputational risk can both cause and result from losses in all risk categories such as market or credit risk.

(iii) Liquidity Risk

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

(iv) Operational Risk

Operational Risk is the risk of direct and indirect loss resulting from inadequate or failed internal processes, people and systems or from external events.

The initiation of all transactions and their administration is conducted on the foundation of segregation of duties that has been designed to ensure materially the completeness, accuracy and validity of all transactions. These controls are augmented by management and executive review of control accounts and systems, electronic and manual checks and controls, back-up facilities and contingency planning. The internal control system and procedures are also subjected to regular reviews.

(v) Interest Rate and Market Price Risk

These risks have very different impacts on the various categories of business used in the company's assets and liabilities management framework. Interest rate and market price risk have been discussed together since they interact on certain types of liabilities.

Interest Rate Risk

Interest rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rate. During the period under review, the company is minimally exposed to interest rate risk because it does not have placement with banks but obtained loan from bank.

Notes to the Financial statements**Foreign Currency Risk**

The Company is exposed to currency risk on purchases that are denominated in a currency other than the functional currency of the Company, the US Dollar. The main currency in which these transactions are denominated is Nigerian Naira (NGN). The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

In managing currency risk, the Company aims to reduce the impact of short-term fluctuations on earnings. Although the Company has various measures to mitigate exposure to foreign exchange rate movement, over the longer term, permanent changes in exchange rates would have an impact on profit. The Company also monitors the movement in the currency rates on an ongoing basis.

Exposure to currency risk

The Company's transactional exposure to Naira (NGN) was based on notional amounts as follows:

	Note	31 Dec 2024	31 Dec 2023
		N'000	N'000
Financial assets			
Cash and cash equivalents	12	20 948 726	14 354 382
Trade and other receivables	14	20 822 068	3 320 348
Financial liabilities			
Trade payable	19	(9 273 095)	(8 371 472)
Accruals and other payables	20	(813 000)	(73 130)
Commercial paper	22	(17 568 943)	-
Related party payable	23	(4 280 970)	(6 908 137)
Net statement of financial position exposure		9 834 786	2 321 992

Sensitivity analysis

A 20% strengthening of the Naira against the following currencies at reporting date would have (increased)/decreased profits by the amounts shown below. This analysis assumes that all other variables in particular interest rates, remain constant. Due to the volatility in foreign exchange rates and fluctuation of balances denominated in foreign currencies during the period, this analysis is not representative of the exposure throughout the financial year.

	Increase in profit or loss and equity
31-Dec-24	
NGN (20 percent strengthening)	1 453 307

Notes to the Financial statements**Sensitivity analysis**

A weakening of the Naira against the Dollar at 31 December 2024 would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

The following significant exchange rates were applied during the year:

Average rate		Reporting date spot rate	
2024	2023	2024	2023
₦	₦	₦	₦
1449	805	1549	952

The Company translates its foreign currency denominated transactions using the Nigerian Autonomous Foreign Exchange Rate Fixings (NAFEX) rate, as quoted on the Financial Market Daily Quotes over-the-counter Securities Exchange (FMDQ OTC).

(vi) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations and arises mainly from receivable from revenue customers.

Exposure to credit risk

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

	Note	31 Dec 2024 N'000	31 Dec 2023 N'000
Cash and cash equivalent	12	20 948 726	14 354 382
Trade and other receivables	14	20 822 068	3 320 348
		41 770 794	17 674 730

Trade and Other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. The Company has established a credit policy under which each new customer is analysed individually for credit worthiness and previous financial difficulties before the Company's standard payment, terms and conditions are offered. The Company's review includes external ratings, if they are available.

In monitoring customers credit risk, customers are grouped according to their credit characteristics and previous financial difficulties.

No impairment allowance was recognised as at 31 December 2024.

Cash and cash equivalents

The cash and cash equivalents are held with a bank in Nigeria which is rated AAA based on Fitch ratings. Impairment on cash and cash equivalents has been measured on a 12 month expected credit loss basis and reflects the short maturities of the exposure. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Financial risk management

Residual contractual maturities of financial assets and liabilities

The table below shows the undiscounted cash flows on the financial assets and liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

	Notes	Carrying amount	Contractual cashflow	Less than 1 month	1 - 3 months	3 - 6 months	6 - 12 months	More than 1 year
		N'000	N'000	N'000	N'000	N'000	N'000	N'000
31 December 2024								
<i>Non-derivative assets</i>								
Balances with bank	12	20 948 726	19 730 906	-	15 813 746	3 917 160	-	-
Equity investment	13	177 350	177 350	-	-	177 350	-	-
Trade and other receivables	14	20 822 068	20 822 068	-	-	-	20 822 068	-
		41 948 144	40 730 324	-	15 813 746	4 094 510	20 822 068	-
<i>Non-derivative liabilities</i>								
Commercial paper	22	17 568 943	17 568 943	-	-	17 568 943	-	-
Related party payable	23	4 280 970	6 908 137	-	-	-	-	6 908 137
Trade payable	19	9 273 095	83 871 472	-	83 871 472	-	-	-
Accrued and other payables	20	813 000	813 000	813 000	-	-	-	-
		31 936 008	109 161 552	813 000	83 871 472	17 568 943	-	6 908 137
Liquidity gap		10 012 136	2 339 992	(813 000)	2 155 750	(13 474 433)	20 822 068	(6 908 137)
Cumulative liquidity gap			2 339 992	(813 000)	2 082 621	(11 391 812)	9 430 257	2 522 120
31 December 2023								
<i>Non-derivative assets</i>								
Balances with bank	12	14 354 382	14 444 382	-	10 527 222	3 917 160	-	-
Other assets	13	18 000	18 000	-	-	18 000	-	-
Trade and other receivables	13	3 230 348	3 230 348	-	-	-	3 230 348	-
		17 602 730	17 692 730	-	10 527 222	3 935 160	3 230 348	-
<i>Non-derivative liabilities</i>								
Related party payable	19	6 908 137	6 908 137	-	-	-	-	6 908 137
Trade payable	17	8 371 472	83 871 472	-	83 871 472	-	-	-
Accrued and other payables	18	73 130	73 130	73 130	-	-	-	-
		15 352 739	15 352 739	73 130	83 871 472	-	-	6 908 137
Liquidity gap		2 249 992	2 339 992	(73 130)	2 155 750	3 935 160	3 230 348	(6 908 137)
Cumulative liquidity gap			2 339 992	(73 130)	2 082 621	6 017 781	9 248 129	2 339 992

Financial risk management

These risks have very different impacts on the various categories of business used in the company's assets and liabilities management framework. Interest rate and market price risk have been discussed together since they interact on certain types of liabilities.

Interest rate risk

Interest rate risk is the risk that the value and cash flow of a financial instrument will fluctuate due to changes in market interest rate. The table below summarizes the company's interest rate

Interest rate gap analysis

	Notes	Carrying amount N'000	Total amount sensitive to rate N'000	Less than 1 month N'000	1 - 3 months N'000	3 - 6 months N'000	6 - 12 months N'000	More than 1 year N'000
30 December 2024								
<i>Non-derivative assets</i>								
Balances with Bank	12	20 948 726	20 948 726		15 813 746	5 134 980	-	-
Equity investment	13	177 350	177 350	-	-	177 350		-
Trade and other receivables	14	20 822 068	20 822 068	-	-	-	20 822 068	-
		41 948 144	41 948 144	-	15 813 746	5 312 330	20 822 068	-
<i>Non-derivative liabilities</i>								
Commercial paper	22	17 568 943	17 568 943	-	-	-	17 568 943	-
Trade payable	23	9 273 095	9 273 095	-	-	-	9 273 095	-
Related party payable	23	4 280 970	-	-	-	-	-	-
Accruals and other payables	20	813 000	-	-	-	-	-	-
		31 936 008	26 842 038	-	-	-	26 842 038	-
Total interest rate gap analysis			15 106 106	-	15 813 746	21 126 076	15 106 106	15 106 106

	Notes	Carrying amount N'000	Total amount sensitive to rate N'000	Less than 1 month N'000	1 - 3 months N'000	3 - 6 months N'000	6 - 12 months N'000	More than 1 year N'000
31 December 2023								
<i>Non-derivative assets</i>								
Balances with Bank	12	14 354 382	14 354 382		10 527 222	3 827 160	-	-
Other assets	13	18 000	18 000	-	-	18 000		-
Trade and other receivables	13	3 230 348	3 230 348	-	-	-	3 230 348	-
		17 602 730	17 602 730	-	10 527 222	3 845 160	3 230 348	-
<i>Non-derivative liabilities</i>								
Trade payable	19	8 371 472	8 371 472	-	-	-	8 371 472	-
Related party payable	19	6 908 137	-	-	-	-	-	-
Accruals and other payables	18	73 130	-	-	-	-	-	-
		15 352 739	8 371 472	-	-	-	8 371 472	-
Total interest rate gap analysis			9 231 258	-	10 527 222	14 372 382	9 231 258	9 231 258

STATEMENT OF VALUE ADDED*for the year ended 31 December 2024*

	31-Dec-2024		30-Dec-2023	
	N'000	%	N'000	%
Revenue	28 977 906	2	12 122 599	2
Cost of sales	(12 102 707)	(1)	(5 174 474)	(1)
	16 875 199		6 948 125	
Bought-in-materials and services	(3 505 614)	(0)	(913 768)	(0)
Value added	13 369 585	100%	6 034 357	100%

Applied as follows:

Salaries, wages and other benefits	2 276 210	0	470 253	0
Government taxes	2 710 137	0	1 731 382	0
Providers of finance	713 046	0	222 000	0
Depreciation and amortisation	403 657	0	311 580	0
To (deplete)/augment reserves	7 266 535	1	3 299 142	1
	13 369 585	100%	6 034 357	100%