



**INTERNATIONAL PACKAGING INDUSTRIES OF NIGERIA PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

CONTENTS

| | Page |
|---|-------------|
| Corporate information | 2 |
| Result at a glance | 3 |
| Directors' report | 4 |
| Statement of Corporate Responsibility for the Financial Statements | 8 |
| Statement of Directors' Responsibilities in Relation to the Preparation of Financial Statements | 9 |
| Statutory Audit Committee Report | 10 |
| Management's Certification of Internal Control Over Financial Reporting | 11 |
| Assurance Report on Management's Assessment of Controls over Financial Reporting | 12 |
| Independent Auditor's Report | 14 |
| Statement of profit or loss for the year and other Comprehensive Income | 16 |
| Statement of Financial Position | 17 |
| Statement of Changes in Equity | 18 |
| Statement of Cash Flows | 19 |
| Notes to the Financial Statements | 20 |
| Value Added Statement | 44 |
| Five-Year Financial Summary | 45 |

CORPORATE INFORMATION

Board of directors :

| | |
|------------------------|------------------------|
| Mr. T. A. Akinshilo | Chairman |
| Mrs. I. Essien-Akpan | Managing Director |
| Senator O.O. Ogunbanjo | Non-Executive Director |
| Mr. O.W. Ogbonna | Non-Executive Director |
| Mr. Patrick Fernandes | Non-Executive Director |
| Mrs. A. Adewunmi | Non-Executive Director |
| Mr. Victor Eromosele | Non-Executive Director |

Company registration no. : RC. 4004

Registered office : 3, Obasa Road,
Off Anifowose, Ikeja,
Lagos state,
Nigeria.

Principal business office : 3, Obasa Road,
Off Anifowose, Ikeja,
Lagos state,
Nigeria.

Company secretary : Lennap Services Limited
306 Ikorodu Road,
Anthony Bus stop,
Lagos,

Independent Auditors : PPS Chartered Accountant
Ayodokun Ogunba
4th Floor Doreona Plaza (Pent House),
12 Odofin Oyero Drive, Anthony Village,
Lagos.

Tax Consultant: I.C Osisioma & Co.(Chartered Accountants)
Ifeyanichukwu C. Osisioma, FCA.
4, Fola Jinadu crescent,
Gbagada Phase 1, Lagos

Audit Committee Member : Mr. Oluwaseyi Dawodu
Mr. Oshunniran Abdullahi
Mr. Victor Eromosele
Mr. Kayode Enitan
Mr. James Adeniyi Ogunfeso

Principal bankers : First Bank of Nigeria Plc
Guaranty Trust Bank Plc

RESULTS AT A GLANCE

| | <u>31-Jan-25</u> <u>N'000</u> | <u>31-Jan-24</u> <u>N'000</u> |
|---|----------------------------------|----------------------------------|
| Revenue | <u>54,385</u> | <u>86,264</u> |
| Profit before taxation | <u>6,518,457</u> | <u>34,748</u> |
| Profit after taxation | <u>6,500,231</u> | <u>23,461</u> |
| Total comprehensive income for the period | <u>14,667,345</u> | <u>23,461</u> |
| Retained earnings | <u>8,083,206</u> | <u>1,595,358</u> |
| Share capital | <u>40,000</u> | <u>40,000</u> |
| Capital and reserves | <u>18,324,973</u> | <u>3,670,011</u> |
| Earnings per share (kobo) | <u>36,668</u> | <u>59</u> |
| Dividend per share (kobo) | <u>50</u> | <u>40</u> |

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JANUARY 2025**

The Directors are pleased to submit to members of International Packaging Industries of Nigeria Plc ('the Company' or 'IPI') their report together with the Company's financial statements and the Auditor's Report thereon for the year ended 31 January, 2025.

Legal Status

IPI was incorporated in Nigeria as a private limited liability company on 26th September 1964. The company became a public limited liability company under the Companies and Allied Matters Act on 1st March 1996, and was admitted to trade on the NASD OTC Securities Exchange market on June 20, 2016.

Principal Activities

The principal activities of the company include:

- Offset and Flexo Printing of Paper bags;
- Light and Heavy Paper Packaging of Packs and Labels for pharmaceutical and cosmetic companies;
- Printing and Production of boxes for confectioneries, shoes, jewelries;
- Other Printing Products such as Calendar, jotters etc.;
- Importation and Sale of Printing papers;

The company has a manufacturing site located at the Ikeja industrial Estate, Lagos State.

Operating results

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

| | 31-Jan-25 | 31-Jan-24 |
|---|---------------|---------------|
| | N'000 | N'000 |
| Revenue | 54,385 | 86,264 |
| Profit before taxation | 6,518,457 | 34,748 |
| Taxation | (18,225) | (11,286) |
| Profit after taxation | 6,500,231 | 23,461 |
| Other comprehensive income | 8,167,114 | - |
| Total comprehensive income for the year | 14,667,345 | 23,461 |
| Earnings per share - Basic (k) | 36,668 | 59 |
| Dividend per Share (kobo) | 50 | 40 |

Proposed dividend

The Board of Director has proposed 50kobo per share on 2nd October in respect of the financial year ended 31 January 2025

However, at the Board meeting held in June 2024, the Directors approved a dividend of ₦0.40 (40 kobo) per share in respect of the financial year ended 31 January 2024. This dividend was approved after the 2024 reporting date and was therefore not recognised as a liability in that year's financial statements.

As at 31 January 2025, the balance of unclaimed dividends stood at ₦20,523,323, representing amounts due to shareholders who have not yet claimed their entitlements.

Future Prospects/Plans

We plan to reposition the company with a view to achieving the following:

- ❖ Diversifying into real estate and agriculture.
- ❖ Diversifying into production of corrugated cartons and boxes.
- ❖ Purchasing modern machines in order to meet standards and satisfy our customers.
- ❖ Importation of papers for reselling.

Corporate Governance Report Framework

International Packaging Industries of Nigeria Plc operates within a Corporate Governance framework established on the following:

1. Companies and Allied Matters Act 2020.
2. Securities and Exchange Commission (SEC) Rules for the time being in force
3. The SEC Code of Corporate Governance for Public Companies 2020 as amended
4. The Nigerian Code of Corporate Governance 2018
5. The Memorandum and Articles of Association of International Packaging Industries of Nigeria Plc.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JANUARY 2025**

From the above, the Corporate Governance Policy of IPI can be summed up as follows:

- a. We conduct our operations with honesty, integrity and openness and with respect for the human rights and interests of the employees.
- b. We shall similarly respect the legitimate interests of those with whom we have relationships.
- c. As a company, we are required to comply with the laws and regulations of the country in which we operate.
- d. We will conduct our operations in accordance with internationally accepted principles of good corporate governance. We will provide timely, regular and reliable information on our activities, structure, financial situation and performance to our shareholders and other stakeholders.

Compliance with the above principles is an essential element in our business success and all employees and business partners of International Packaging Industries are mandated to comply with the above principles.

During the year ended 2025, IPI complied with all the mandatory provisions of the Securities and Exchange Commission Code of Corporate Governance for Public Companies 2020 as amended together with the requirements of other good corporate governance standards listed above. The company also took cognizance of the Nigerian Code of Corporate Governance 2018 and imbibed the principles enunciated in same in the course of 2025.

Board Composition

The Directors who held office during the year and up to the date of this report are:

| Names | Position |
|------------------------|-------------------------------------|
| Mr. T. A. Akinshilo | Non-Executive Director and Chairman |
| Mrs. I. Essien-Akpan | Managing Director |
| Senator O.O. Ogunbanjo | Non-Executive Director |
| Mr. O.W. Ogbonna | Non-Executive Director |
| Mr. Patrick Fernandes | Non-Executive Director |
| Mrs. A. Adewunmi | Non-Executive Director |
| Mr. Victor Eromosele | Non-Executive Director |

Directors' Shareholding

The Directors' interests in the share capital of the Company as recorded in the Register of Members and/or as notified by them for the purpose of section 301 of the Companies and Allied Matters Act 2020 are as follows:

| Name of Shareholder | 31-Jan-25 No. of shares | 31-Jan-24 No of Shares |
|-----------------------|----------------------------|---------------------------|
| Ventureserve Nig. Ltd | 19,908,700 | 19,908,700 |
| Ifeyinwa Essien-Akpan | 5,225,751 | 5,225,751 |
| Union Securities Ltd | 2,531,249 | 2,531,249 |
| Toyin Rising Bakery | 1,713,600 | 1,713,600 |
| Caata Ltd | 1,356,816 | 1,356,816 |
| Joel O. Ogbonna | 219,237 | 219,237 |
| Mr. T. A. Akinshilo | 103,860 | 103,860 |

No changes were made in the above holdings as at the date of this report.

Major Shareholders

As at the date of this report, no individual shareholder other than Ventureserve Nigeria Limited (19,908,700 shares (49.8)%), Ifeyinwa Essien-Akpan (5,225,751 shares (13.1)%), held more than 10% of the issued share

Directors' Interests in Contracts

In accordance with Section 303 of the Companies and Allied Matters Act of Nigeria, none of the directors has notified the Company of any declarable interests in contracts with the Company.

Donations and charitable Gifts

Donation was made to the Lagos country club.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JANUARY 2025**

Board Responsibilities

The Board has the final responsibility for leadership, direction and performance of the company and has the powers, authorities and duties vested in it by the relevant laws and regulations of the Federal Republic of Nigeria and the Articles of Association of International Packaging Industries of Nigeria Plc. The Board has overall responsibility for the management of risk and for reviewing the effectiveness of the internal control and risk management system within the Company. The Board has delegated to the Chief Executive Officer/Managing Director some of its powers, authorities and discretions which relate to the day to day operations of International Packaging Industries of Nigeria Plc.

COMMITTEES

Statutory Audit Committee

| | |
|----------------------------|----------|
| Mr. Oluwaseyi Dawodu | Chairman |
| Mr. Oshuniran Abdullahi | Member |
| Mr. Victor Eromosele | Member |
| Mr. Olukayode Enitan (SAN) | Member |

Attendance at the statutory Audit Committee members

The number of attendance at meetings by Audit Committee members during the year under review is as follows:

| Names of Audit Committee | No of Attendance at Meetings |
|---------------------------------|-------------------------------------|
| Mr. Oluwaseyi Dawodu | 2 |
| Mr. Oshunniran Abdullahi | 2 |
| Mr. Olukayode Enitan (SAN) | 2 |
| Mr. Victor Eromosele | 2 |

Others In Attendance

| | |
|----------------------------|---|
| Mrs. Ifeyinwa Essien-Akpan | 2 |
| Mrs. Omolabake Babalola | 2 |
| Miss Oluwatobi Otuyalo | 2 |
| Mrs. Doyinsola Oladipupo | 2 |
| Mr. Ololade Akinwale | 2 |
| Mr. Ayodokun Ogunba | 1 |
| Mr. Oluwaseun Ogunye | 1 |

The Audit Committee met twice during the year, as follows:

| Meeting date | Main items of business |
|---------------------|--|
| 16th April 2024 | Auditor's management letter review and Internal auditor's report review. |
| 20th June 2024 | Audited financial statement signing and a loan to be obtained from BOI. |

Board Meetings

During 2025, the Board held meetings five (5) times. The record of attendance is presented below:

| Names of Directors | | No of Attendance at meetings |
|-------------------------------|-------------------------------|-------------------------------------|
| Mr. T.A. Akinshilo | Chairman | 5 |
| Mrs. Adekunbi Adewunmi | Non-Executive Director | 5 |
| Mrs. Ifeyinwa Essien-Akpan | Managing Director | 5 |
| Mr. Stephen Kola-Balogun | Alt to Senator O.O. Ogunbanjo | 5 |
| Mrs. Gloria Emerole | Alt to Mr. O.W. Ogbonna | 4 |
| Mr. Olukayode A. Enitan (SAN) | Alt to Mr. Patrick Fernandes | 5 |
| Mr. Victor Eromosele | Director | 4 |

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JANUARY 2025**

Others In Attendance

| | | |
|------------------------|---------------------|---|
| Miss Oluwatobi Otuyalo | Company Secretaries | 4 |
| Miss Tobore Okafor | Company Secretaries | 1 |

Property, Plant & Equipment

Information relating to changes in property and equipment is given in Note 13 to the financial statements. In the Directors' opinion, the fair value of the Group's property and equipment is not less than the carrying value in the financial statements.

Human Resources

Employment of Disabled Persons

The Company continues to maintain a policy of giving fair consideration to the application for employment made by disabled persons with due regard to their abilities and aptitudes. The company's policy prohibits discrimination of disabled persons in the recruitment, training and career development of its employees.

Health, Safety and Welfare at Work

The company enforces strict health and safety rules and practices at work environment which are reviewed and tested regularly.

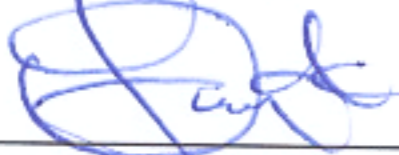
Employee Training

The company has a policy of continuous training and development of its employees. The company ensures through various fora, that employees are informed on matters concerning them. Formal and informal channels are employed in communication with employees with an appropriate two way feedback mechanism.

Independent Auditors

Messrs PPS Chartered Accountants have indicated their willingness to continue as auditors in accordance with Section 401 (2) of the Companies and Allied Matters Act, 2020.

By Order of the Board



Oluwatobi Otuyalo
FRC No/2021/002/00000023309
LENNAP Services Limited
(Company Secretary)

**STATEMENT OF CORPORATE RESPONSIBILITY
FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2025**

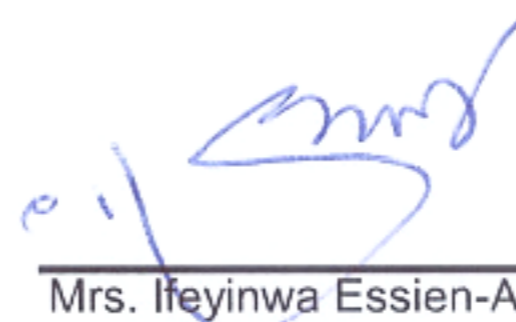
In line with the provision of S.405 of CAMA 2020 we have reviewed the audited financial statements of the company for the year ended 31 January, 2025 and based on our knowledge confirm as follows;

1. The report does not contain any untrue statement, or material fact, or omits to state a material fact, which would make the statement misleading under the circumstances they were made.
2. The financial statements and other financial information, included in the report fairly present in all material respects, the financial condition and result of operations of IPI Plc as of, and for the periods presented in the report.
3. We are responsible for maintaining internal controls.
4. We have designed such internal controls to ensure that material information relating to the company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the period reports are being prepared.
5. We have evaluated the effectiveness of the company's internal controls as of date within 90 days prior to the report.
6. We have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date.
7. We have disclosed to the Auditors of the company and audit committee; all significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarise and report financial data and have identified for the company's Auditors any material weakness in internal controls, and any fraud, whether or not material, that involves management or other employees who have significant roles in the company's internal controls.
8. We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of their valuation, including any corrective actions with regard to significant deficiencies and material weaknesses.

17 June, 2025



Mrs Labake Babalola
Head, Finance
FRC No: FRC/2022/PRO/ICAN/001/887749



Mrs. Ifeyinwa Essien-Akpan
Managing Director
FRC No: /2014/MULTI/00000007269

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 JANUARY 2025**

The directors accept responsibility for the preparation of the annual Financial Statements set out on pages 13 to 40 and confirm that they give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act of Nigeria, 2020 and the Financial Reporting Council of Nigeria Act, 2023.

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY

Mr. T. A. Akinshilo
Chairman
FRC No /2021/003/00000023536

Mrs. Ifeyinwa Essien-Akpan
Managing Director
FRC No /2014/MULTI/00000007269

**REPORT OF THE AUDIT COMMITTEE
TO MEMBERS OF INTERNATIONAL PACKAGING INDUSTRIES OF NIGERIA PLC**

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act of Nigeria, the members of the Statutory Audit Committee of International Packaging industries of Nigeria Pic hereby report as follows:

We have exercised our statutory functions under Section 404(7) of the Companies and Allied Matters Act of Nigeria, and acknowledge the cooperation of management and staff in the conduct of these responsibilities. We confirm that:

1. The accounting and reporting policies of the Company are consistent with legal requirements and agreed ethical practices.
2. The internal audit programmes are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems.
3. We have deliberated on the findings of the external auditors who have confirmed that necessary cooperation was received from management in the course of their audit and we are satisfied with management's responses thereon and with the effectiveness of the company's system of accounting and internal control.

Members of the Audit Committee are:

- | | | |
|-------------------------------|---|------------------------|
| 1. Mr. Oluwaseyi Dawodu | - | Chairman/Shareholder |
| 2. Mr. James Adeniyi Ogunfeso | - | Shareholder |
| 3. Mr. Oshunniran Abdullahi | - | Shareholder |
| 4. Mr. Victor Eromosele | - | Non-Executive Director |
| 5. Mr. Kayode Enitan | - | Non-Executive Director |



Mr. Oluwaseyi Dawodu
Chairman
FRC No/2021/004/0000023541

INTERNATIONAL PACKAGING INDUSTRIES of Nigeria Plc

3, Obasa Road, Off Oba Akran Avenue Ikeja, Lagos, Nigeria.
P. O. Box 113, Ikeja Lagos. Tel: 081 683 11496
e-mail: info@interpackng.com
www.interpackng.com



RC: 4004

MANAGEMENT CERTIFICATION – IPI PLC

In accordance with the Financial Reporting Council (FRC) of Nigeria's guidelines, this certification is provided by the Chief Executive Officer and Chief Financial Officer of IPI Plc as part of the annual report on Internal Control Over Financial Reporting (ICFR).

We, the undersigned, certify that:

(a) We have reviewed the ICFR report of International Packaging Industries of Nigeria Plc for the fiscal year ended 31 January 2025.

(b) Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made not misleading.

(c) Based on our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition, results of operations, and cash flows of the entity as of, and for, the periods presented in this report.

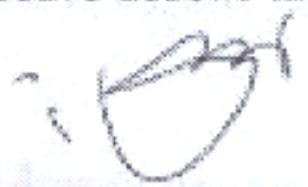
(d) We:

- i) are responsible for establishing and maintaining internal controls;
- ii) have designed such internal controls to ensure that material information relating to IPI Plc is made known to us by others within the entity;
- iii) have evaluated the effectiveness of IPI Plc's internal control system as of a date within 90 days prior to this report;
- iv) have presented in this report our conclusions about the effectiveness of the internal control system based on such evaluation.


(e) We have disclosed to the entity's auditors and the audit committee of the board of directors:

- i) all significant deficiencies and material weaknesses in the design or operation of internal controls which are reasonably likely to adversely affect the entity's ability to record, process, summarize, and report financial information; and
- ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the internal control system.

(f) We have indicated in this report whether there were any significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions taken.



Mrs. Ifeyinwa Essien-Akpan
Managing Director
FRC No. /2014/MULTI/00000007269



Mrs Labake Babalola
Head, Finance
FRC No: FRC/2022/PRO/ICAN/001/887749

Directors: T. Akinshilo (Chairman), I Essien-Akpan (Managing), Victor Eromosele,
A. Adewunmi, O. Ogunbanjo, O. Ogbonna.



4th floor, Doreona Plaza,
12 Odofin-oyero Drive, Anthony,
Lagos - Nigeria
Email: audit@parlanceps.com
Tel: +234 909 013 5885

BN 8966472

**ASSURANCE REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF INTERNATIONAL PACKAGING INDUSTRIES OF NIGERIA PLC**

Assurance Report on Management's Assessment of Controls over Financial Reporting

Our Opinion

We have performed a limited assurance engagement on IPI Plc internal control over financial reporting as of 31 January 2025, based on Financial Reporting Council (FRC) Guidance on Management Report on Internal Control Over Financial Reporting and Securities and Exchange Commission (SEC) Guidance on Management Report on Internal Control Over Financial Reporting. IPI Plc's Board of Directors and Management are responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's Internal Control over Financial Reporting based on our Assurance engagement.

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management are not adequate as of the specified date, based on the FRC Guidance on Management Report on Internal Control Over Financial Reporting/SEC Guidance on Management Report on Internal Control Over Financial Reporting.

Basis for Opinion

We conducted our Assurance engagement in accordance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the Company's internal control over financial reporting based on our assurance engagement.

We have complied with independence and other ethical requirements of the Code of Ethics for professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies the International Standard on Quality Management 1, Quality Management for firms that perform audit or review of financial statements, or other assurance or related services engagement which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Summary of the work we performed as the basis for our opinion

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control Over Financial Reporting

A Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal control over financial reporting includes those policies and procedures that:

- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the Company;
- ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Signed **PPSCA**

Ayodokun Ogunba; FCA
FRC /2015 /ICAN / 0000000 / 11247
For: **PPS Chartered Accountants**

Lagos, Nigeria



17TH December, 2025

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF INTERNATIONAL PACKAGING INDUSTRIES OF NIGERIA PLC**

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of International Packaging Industries of Nigeria Plc as at 31 January 2025, and of its financial performance, the statement of changes in equity, the statement of cash flows for the year then ended, a summary of significant accounting policies, and other explanatory notes in accordance with International Financial Reporting Standards and the requirement of the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act No. 6, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the International Ethical Standards Board for Accountants' code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How the matter was addressed during our audit |
|---|---|
| <p>Revenue recognition and sustainability</p> <p>The Company recorded a 37% revenue decline compared to the previous year, following a 50% drop in the year before. This trend raised concerns about sustainability and going concern risks.</p> | <p>The test performed to mitigate the key audit matter is as follows:</p> <ul style="list-style-type: none"> • Investigated and documented reasons for the year-on-year decline • Traced a sample of revenue transactions to supporting invoices and cash receipts • Held discussions with management on remedial strategies and future cash-flow projections • Evaluated the appropriateness of management's going concern assumptions |

Other Information

The directors are responsible for the other information. The other information comprises: Corporate information, Statement of director's responsibilities, Statement of value added and five-year financial summary but 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.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 and those charged with governance 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 International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, 2020 the Financial Reporting Council of Nigeria Act No. 6, 2023 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether 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 ISA 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 the financial statements.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit.

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

Report on other legal and regulatory requirements

In accordance with the Companies and Allied Matters Act 2020, we expressly state that;

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) The company has kept proper books of account, so far as appears from our examination of those books, and returns adequate for our audit have been received by us;
- iii) The company's statements of financial position and comprehensive income are in agreement with the books of account.

Signed

PPSCA

Ayodokun Oqunba; FCA
FRC /2015 /ICAN / 0000000 / 11247
For: **PPS Chartered Accountants**

Lagos, Nigeria



17TH December, 2025

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2025**

| | Note | 31-Jan-25 N'000 | 31-Jan-24 N'000 |
|--|------|--------------------|--------------------|
| Revenue | 5 | 54,385 | 86,264 |
| Cost of sales | 7 | (68,839) | (85,259) |
| Gross (loss)/profit | | (14,454) | 1,005 |
| Other income | 6 | 6,638,689 | 132,954 |
| Administrative expenses | 8 | (105,778) | (99,211) |
| | | 6,532,911 | 33,743 |
| Profit before income tax | | 6,518,457 | 34,748 |
| Taxation | 11 | (18,225) | (11,286) |
| Profit for the year | | 6,500,231 | 23,461 |
| Other comprehensive income | | | |
| Revaluation Surplus | 23 | 8,167,114 | - |
| Total comprehensive income for the period | | 14,667,345 | 23,461 |
| Basic & diluted earnings per share (kobo) | 10 | 36,668 | 59 |
| Dividend per Share (kobo) | | 50 | 40 |

The accompanying notes on pages 20 to 43 are an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2025**

| | Share capital | Retained earnings | Revaluation Reserve | Total equity |
|---|------------------|----------------------|------------------------|-------------------|
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Balance as at 1 February 2024 | 40,000 | 1,595,358 | 2,034,653 | 3,670,011 |
| Profit for the year | - | 6,500,231 | - | 6,500,231 |
| Dividend declared | - | (16,000) | - | (16,000) |
| Adjustments | - | 3,616 | - | 3,616 |
| Revaluation Surplus | - | - | 8,167,114 | 8,167,114 |
| | 40,000 | 8,083,206 | 10,201,767 | 18,324,973 |
| Transactions with owners of the Company | - | - | - | - |
| Balance as at 31 January 2025 | 40,000 | 8,083,206 | 10,201,767 | 18,324,973 |

| | Share capital | Retained earnings | Revaluation Reserve | Total equity |
|---|------------------|----------------------|------------------------|------------------|
| | N'000 | N'000 | N'000 | N'000 |
| Balance as at 1 February 2023 | 40,000 | 1,557,143 | 2,034,653 | 3,631,796 |
| Profit for the year | - | 23,461 | - | 23,461 |
| Dividend declared | - | - | - | - |
| Adjustments | - | 14,754 | - | 14,754 |
| | 40,000 | 1,595,358 | 2,034,653 | 3,670,011 |
| Transactions with owners of the Company | - | - | - | - |
| Balance as at 31 January 2024 | 40,000 | 1,595,358 | 2,034,653 | 3,670,011 |

The accompanying notes on pages 20 to 43 are an integral part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2025**

| | Note | 31-Jan-25 N'000 | 31-Jan-24 N'000 |
|--|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Profit before tax | | 6,518,457 | 34,748 |
| Adjustments for: | | | |
| Depreciation | 13 | 9,240 | 10,749 |
| Amortisation of Intangible asset | 14 | 469 | 300 |
| Adjustments to prior year | | 3,616 | 14,754 |
| Adjustments to property, plant and equipment | | - | 17 |
| Gain on fair value adjustment to investment property | | (6,441,025) | - |
| Non-cash Dividend Offset | | (3,616) | - |
| Loss on intangible asset written off | | 402 | - |
| Gain on disposal of PPE | | (11,523) | - |
| Impairment on biological assets | | 348 | - |
| Impairment expense | | - | 1,933 |
| Over-provision for tax | | - | (9,215) |
| | | 76,366 | 53,285 |
| Changes in working capital: | | | |
| Decrease in trade and other receivables | 24 | 6,506 | 9,246 |
| Decrease/(Increase) in inventories | 12a | 20,397 | (16,701) |
| (Decrease)/Increase in deferred rental income | | (80,866) | 206,500 |
| Decrease in trade and other payables | | (13,204) | (35,488) |
| Cash generated from operations | | 9,199 | 216,843 |
| Income tax paid | 11 | (5,750) | (855) |
| Net cash generated from operating activities | | 3,449 | 215,988 |
| Cash flows from investing activities : | | | |
| Acquisition of property, plant and equipment | 13 | (12,495) | (23,157) |
| Acquisition of intangible assets | 14 | (1,774) | (800) |
| Investment in biological assets | 12b | (687) | - |
| Proceeds from disposal of PPE | 13 | 13,401 | - |
| Net cash used in investing activities | | (1,554) | (23,957) |
| Cash flows from financing activities | | | |
| Dividend Paid | 22 | (7,424) | (3,980) |
| Net cash generated from financing activities | | (7,424) | (3,980) |
| Net change in cash and cash equivalents | | (5,529) | 188,049 |
| Cash and cash equivalents as at 1 January | | 223,432 | 35,382 |
| Cash and cash equivalents as at 31 December | | 217,903 | 223,432 |

The accompanying notes on pages 20 to 43 are an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

1. Reporting Entity

International Packaging Industries of Nigeria Plc was incorporated in Nigeria on 26th September, 1964 as a Private limited liability company under the Companies and Allied Matters Act 2020 and became a public limited liability company in March, 1996.

2. Basis of Accounting

2.1a Statement of Compliance

The financial statements of International Packaging Industries of Nigeria Plc (IPI or "the Company") have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and in the manner required by the Companies and Allied Matters 2020 and the e Financial Reporting Council of Nigeria (Amendment) Act, 2023.

These financial statements were authorized for issue by the Company's board of directors on 11th December 2025

b. Basis of Measurements

The financial statements have been prepared under the historical cost basis. Historical cost method is generally based on the fair value of the consideration given in exchange for assets.

c. Functional and Presentation Currency

The financial statements are presented in Nigerian Naira, which is the Company's functional and presentation currency.

d. Going Concern

Nothing has come to the attention of the directors to indicate that IPI will not remain a going concern for at least twelve months from the date of approval of these financial statements.

Standards and Interpretations issued but, not yet Effective

A number of new standards are effective for annual periods beginning after 1 January 2025 and for future periods; earlier application is permitted. The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

IFRS 18 is a new standard on Disclosure and Presentation that introduces enhanced requirements for the clarity, consistency, and transparency of financial statement disclosures, including the presentation of significant judgments and assumptions. IFRS 18 will be effective for annual reporting periods starting on or after January 1, 2027. The Company is assessing the potential impact of IFRS 18 on the Company's financial reporting policies and anticipates making the necessary changes to ensure compliance.

The adoption of IFRS 18 is not expected to have a material effect on the reported financial position or performance, but it will improve the overall quality of the disclosures provided.

Lack of Exchangeability (Amendments to IAS 21), these amendments include instructions on how to determine the exchange rate when a currency is not convertible into another and how to decide when it is. When there is insufficient exchangeability, entities must estimate exchange rates consistently and report the nature and financial implications of such situations. Annual reporting periods beginning on or after January 1, 2025.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

3. Significant Accounting Policies

(3)a. Property, Plant and Equipment

(i) Recognition, Derecognition and Measurement

The cost of an item of property, plant and equipment is recognized as an asset if it's probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. All property, plant and equipment except for freehold land are stated in, the statement of financial position at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and, equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Freehold land is stated at fair value less accumulated impairment losses.

The carrying amount of an item of property, plant and equipment shall be derecognized on disposal or when future economic benefits are not expected from its use or disposal. Gains and Losses on disposal of an item of property, plant and equipment are measured by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit or loss.

(ii) Subsequent Costs

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of a replaced part is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they are incurred.

(iii) Depreciation

The depreciation rates of property, plant and equipment for current and comparative periods are as follows:

| | |
|-----------------------------------|-----|
| Buildings | 2% |
| Plant and Machinery | 25% |
| Furniture, Fittings and Equipment | 20% |
| Motor Vehicles | 25% |

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight line method over their estimated useful lives and is generally recognized in the statement of profit or loss.

(3)b. Impairment of Non-financial Assets

At each reporting period, the Company reviews the carrying amount of its non-financial assets: (other than inventories) to determine whether there is any indication of impairment, If any such indication exists, then the assets recoverable amount is estimated.

An impairment loss is recognized for non-financial assets when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount, Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

In tangible assets not yet available for use are tested for impairment annually. Impairment losses are recognized in the income statement. All other non-financial assets are assessed for indicators of impairment at the end of each reporting period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

(3)c. Financial Instruments

Recognition and Initial Measurement

Financial instruments (i.e. Financial Assets and Liabilities) are recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not carried at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and Subsequent Measurement

Management determines the classification of its financial instruments at initial recognition. This classification depends on the nature and purpose of the financial asset. Financial assets are classified into the following categories:

- ❖ Financial assets at fair value through profit and loss
- ❖ Financial Asset at Amortised cost
- ❖ Financial assets at fair value through other comprehensive

Derecognition

Financial Assets

Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset or the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial Liabilities

Financial Liabilities are derecognized when the obligation specified in the contract is 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 consideration paid including any non-cash assets transferred Liabilities assumed is recognized in the statement of profit or Loss.

Offsetting Financial Instruments

Financial assets and financial Liabilities are offset and then amount presented in the statement of financial position when the Company has an equally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Impairment of Financial Assets

Non-derivative Financial Assets

The Company recognizes loss allowances for ECLs (Expected credit losses) on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to Life time ECLs, except for other debt securities and bank balances for which credit risk has not increased significantly since initial recognition which are measured at 12 month ECL.

The ECL for trade and other receivables are estimated using a provision matrix that is based on the Company's historical creditor's experience adjusted for factors that are specific to the debtors' general economic conditions and an assessment of both current as well, as forecast direction of conditions as at reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

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

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

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

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

Life time ECLs are the ECLs that result from all possible default events over the expected life Of the financial asset. The Company considers intercompany receivables to have a lower credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

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

Measurement of ECLs

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

Credit-impaired Financial Assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- * Significant financial difficulty of the borrower or issuer;
- * A breach of contract, such as a default or being more than 180 day past due.
- * The restructuring of loan or advance by the Company on terms that the Company would not consider otherwise

- * it is probable that the borrower will enter bankruptcy or other financial reorganization, or
- * The disappearance of an active market for that financial asset because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at a mortised cost are deducted from the gross carrying amount of the assets. An impairment loss is recognized if the gross carrying amount of the assets exceeds its estimated recoverable amounts. Impairment losses are recognized in profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

❖ In the principal market for the asset or liability, or

❖ In the absence of a principal market, in the most advantageous market for the asset or liability. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the best level input that is significant to the fair value measurement as a whole:

Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 Valuation techniques for which the best level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 Valuation techniques for which the best level input that is significant to the fair value measurement is unobservable.

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

(3)d. Inventories

Inventories are measured at the lower of cost and estimated net realizable value less allowance for obsolete and damaged inventories. A detailed review of slow moving and obsolete stocks is carried out on a monthly basis and an allowance is booked based on a realistic estimate. Net realizable value represents the estimated selling price less all estimated costs of selling expenses.

(3)e. Cash and Cash Equivalents

Cash and cash equivalents in the statement of cash flows include cash at bank and in hand plus short-term deposits less overdrafts and short-term working capital loans. Short-term deposits have maturity of three months or less, from the date of acquisition, are readily convertible to cash and are subject to an insignificant risk of change in value. Bank overdrafts are repayable on demand and form an integral part of the Company's cash management.

(3)f. Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The present value is derived by discounting the expected future cash flows at a pre-tax rate. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as finance cost.

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event and it is probable that the Company will be required to settle that obligation and the amount has been reliably estimated. Provisions for restructuring costs are recognized when the Company has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are not recognized for future operating losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

(3)g. Employee Benefits

Pension Fund Obligations

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity - Pension fund administrator (PFA) and has no legal or constructive obligations to pay further contributions. Obligations for contribution plans are recognized as personnel expenses in profit or loss in the periods during which related expenses are rendered. In line with the Act, both the employee and employer contribute to scheme at the rate 10% and 8% respectively, of each employee's basic salary, housing and transport allowance.

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 recognized in the period in which the service is rendered and is not discounted. The expected cost of bonus payments is recognized as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Provisions for leave pay, bonuses and other entitlements are recognized as a liability in the financial statements.

(3)h. Income Tax

Income tax expense comprises of current tax and deferred tax. It is recognized in profit or Loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive

i) Current Income 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.

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

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if and only if the entity has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the Liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

ii) Deferred Income Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and Liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet Liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and Liabilities are not recognized if the temporary difference arises from good will or from the initial recognition (other than in a business combination) of other assets and Liabilities in a transaction that affects neither the tax profit nor the accounting profit.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

- ❖ The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the Liability is settled or the asset is realized. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.
- ❖ Deferred tax assets and liabilities are off set when there is a legally enforceable right to set off current tax assets against current tax Liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax Liabilities on a net basis.
- ❖ Deferred tax assets and Liabilities are presented as non-current in the statement of financial position.

(3)i. Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue at appoint in time when it transfers control over a product or service to a customer. The Company principally generates revenue from the sale and delivery of its products. The sale and delivery of products are identified as one performance obligation and are not separately identifiable. The Company recognizes revenue when the customer takes possession of the goods. This usually occurs when the customer signs the invoice.

(3)j. Dividend Distribution

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

(3)k. Finance Income and Finance Cost

Finance income and finance costs are recognized using the effective interest rate method.
Finance income includes interest received or receivable on balances and deposits with banks.
Finance cost includes interest on borrowings.

(3)l. Share Capital and Share Premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over their par value is recorded in the share premium reserve.

All ordinary shares rank equally with regard to the Company residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. Incremental assets directly attributable to the issue of ordinary shares are recognized as a deduction from equity net of any tax effects.

(3)m. Investment Property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

(3)n. Intangible Assets

(I) Internally generated intangible assets

IAS 38 requires an entity to recognise an intangible asset, whether purchased or self-created (at cost) if, and only if it is probable that the future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Software that has a license period of 2 years minimum are recognised as intangible assets when the following criteria are met:

- (i) It is technically feasible to complete the software product so that it will be available for use;
- (ii) management can demonstrate use internally or sell it;
- (iii) there is an ability to use or sell the software product;
- (iv) Probable it will generate future economic benefits;
- (v) adequate technical, financial, and other resources to complete the development and to use/sell the software product is available;
- (vi) the cost attributable to the software product during its development can be reliably measured.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenses as incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is the license period, for acquired software

Software acquired by the Company is stated at cost less accumulated amortisation and accumulated impairment losses.

(3)o Related Party Transactions

(3)p Accounting Policies, Changes in Accounting Estimates, and Errors

In accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates, and Errors, the Company restated prior-year financial statements due to a reclassification of lease income previously recorded as rental income. The adjustment aligns with the requirements of IFRS 16 – Leases, as there was a transfer of risks and rewards to the lessee.

(3)q Lease

The Company leases various assets, including land and property. The Company has entered into lease agreements as a lessor, in compliance with IFRS 16 – Leases. The leases have terms ranging from 5 to 10 years. Under these finance leases, the Company has transferred substantially all risks and rewards of ownership to the lessees, with lease payments received in advance. As a result, the lease income is amortized over the lease term, and interest income is recognized based on the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

4. Critical Accounting Estimates and Judgments

Estimates and accounting judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements requires management to make judgments estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Revisions to accounting estimates are recognized In the period in which the estimate is revised and in any future period affected.

The following are significant management judgments in applying the accounting policies of the entity that have the most significant effect on the financial statements

i) Recognition of Deferred Tax Assets

The extent to which deferred tax assets can be recognized is based on assessment of the probability of the company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

ii) Estimation Uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

iii) Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

iv) Useful Lives of Depreciable Assets

Management reviews its estimates of the useful lives of depreciable assets at each reporting date, based on expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

v) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost includes the directly related costs and estimated realizable value as determined using the replacement cost of the assets or similar assets. Any write-downs are eliminated in subsequent years when the reasons therefore are no longer valid.

Financial Risk Management

The company uses financial skills to provide competitive product pricing and delivery to a broad range of customers.

Risk management is essential in other to help ensure business sustainability thereby providing customers and shareholders with a long term value proposition.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

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 in the company.
- ❖ Influencing the business and environment by being an active participant in the relevant regulatory and business forum and
- ❖ Keeping abreast of technology and consumer trends and investing capital and resources where required.

The overall company focus within the appropriate risk framework is to give value to the customers through effective and efficient execution of transactions.

The board of directors acknowledges its responsibility for establishing, monitoring and communicating appropriate risk and control policies.

The company has exposure to significant risks which are under control.

- i) Regulatory (capital adequacy, legal, accounting and taxation)
- ii) Business environment (reputation and strategic)
- iii) Operational (people, information technology and internal control processes)
- iv) Market (Equity Prices, interest rate and currency); and
- v) Liquidity

i) New Standards, amendments, interpretations adopted by

| Standard | Effective Date | Contents |
|---|-----------------------|--|
| Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7) | 1 January 2024 | The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on the characteristics of supplier finance arrangements. |
| Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 | 1 January 2024 | Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

| | | |
|--|----------------|--|
| Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1) | 1 January 2024 | The IASB issued amendments to IAS 1 in January 2020, Classification of Liabilities as Current or Non-current, and subsequently, in October 2022, Non-current Liabilities with Covenants. The amendments clarify the following: 1. An entity's right to deferred settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. 2. If an entity's right to deferred settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period. 3. The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement. 4. In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument |
|--|----------------|--|

ii) New and amended standards issued and effective but not adopted by the Company

The following standards have been issued and are effective but are not relevant to the Company.

| Standard | Effective Date |
|---|----------------|
| Lack of Exchangeability (Amendment to IAS 21 the effects of Changes in Foreign Exchange Rates) | 1 January 2025 |
| Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial instruments and IFRS 7) | 1 January 2026 |
| Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) | 1 January 2026 |
| IFRS 18 Presentation and Disclosure in Financial Statements | 1 January 2027 |
| IFRS 19 Subsidiaries without Public Accountability: Disclosures. | 1 January 2027 |

iii) New Standards, amendments, interpretations issued but not yet effective.

The Company is currently assessing the effect of these new accounting standards and amendments. IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items.

These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The company does not expect to be eligible to apply IFRS 19 - Subsidiaries without Public Accountability: Disclosures

Early adoption of standards and interpretations

The Company has not adopted any early adoption standards or interpretations during the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

5. Revenue

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|----------------------------------|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Sales - Packs, labels & stickers | 54,104 | 86,011 |
| Sales - Boxes | 133 | 37 |
| Sales - Exercise Books | 147 | 216 |
| | <u>54,385</u> | <u>86,264</u> |

Revenue is recognised at a point in time, and sales are mostly made to customers in Nigeria.

6. Other income

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|--|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Increase in fair value during the year | 6,441,025 | - |
| Facility Fee Income | 13,575 | 13,223 |
| Rental Income | 129,015 | 115,121 |
| Scrap Paper/Iron | 1,249 | 624 |
| Finance Income | 31,739 | 3,773 |
| Gain on Disposal | 11,523 | - |
| Others Income | 90 | 80 |
| Write-back of Unreconciled Balances | 10,455 | - |
| | <u>6,638,672</u> | <u>132,822</u> |

7. Cost of sales

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|-----------------------------------|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Direct Materials | 40,467 | 47,954 |
| Direct Labour | 12,891 | 15,672 |
| Overheads - Depreciation | 5,228 | 7,366 |
| Overheads - Oil & Diesels | 4,689 | 7,055 |
| Overheads - Electricity | 3,999 | 1,671 |
| Overheads - Insurance Expenses | 36 | 30 |
| Overheads - Repairs & Maintenance | 1,528 | 5,511 |
| | <u>68,839</u> | <u>85,259</u> |

8a. Administrative and general expenses

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|------------------------------|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Advertising Expense | 105 | 745 |
| AGM Expenses | 1,525 | 1,320 |
| Annual & sitting allowances | 18,225 | 18,991 |
| Audit & Accountancy fees | 1,613 | 1,330 |
| Bad Debt | 2,350 | - |
| Bank Charges | 312 | 496 |
| Cleaning expenses | 795 | 634 |
| Commissions and Fees Expense | 2,816 | 6,698 |
| Depreciation | 4,011 | 3,383 |
| Directors Training | - | 25 |
| Electricity | 3,999 | 1,671 |
| Entertainment | 1,618 | 623 |
| Fuel expenses | 5,201 | 2,263 |
| Gratuity | 2,047 | 1,534 |
| Ground Rent - WEMABOD | 453 | 100 |
| Impairment Expenses | - | 1,933 |
| Insurance expenses | 523 | 436 |
| Professional fees | 5,753 | 5,776 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

| Administrative and general expenses cont'd | 31-Jan-25 | 31-Jan-24 |
|--|------------------|------------------|
| | ₦'000 | ₦'000 |
| Licences & permits | 954 | 2,926 |
| Medical expenses | 689 | 1,266 |
| Office Supplies Expense | 96 | - |
| Other Office Expense | 698 | 785 |
| Penalty Charge | - | 1,083 |
| Marketing Expenses | 1,463 | 173 |
| Printing & Stationery | 613 | 361 |
| Repairs & maintenance | 7,151 | 3,299 |
| Salaries & Wages | 31,020 | 29,681 |
| Registrars | - | 19 |
| Security expenses | 2,586 | 2,666 |
| Staff Training | 271 | 356 |
| Staff Welfare | 2,226 | 3,266 |
| Subscription/Annual Dues | 440 | 549 |
| Telephone & Internet Charges | 583 | 499 |
| Transport/Travelling | 183 | 1,798 |
| Travelling - Foreign | 2,024 | - |
| Pension-Employers Contribution | 2,216 | 2,133 |
| Software Expenses | - | 95 |
| Impairment on Biological Asset | 348 | - |
| Loss on Asset Written-Off | 402 | - |
| Amortisation | 469 | 300 |
| Total administrative and general expenses | 105,778 | 99,211 |
| 8b. Net finance costs | 31-Jan-25 | 31-Jan-24 |
| (i) Interest income on fixed deposit | 31,739 | 3,773 |
| Interest on lease receivables | - | - |
| Foreign Exchange gain | 17 | 132 |
| Total finance income | 31,757 | 3,905 |
| Finance cost | | |
| (ii) Other interest expense | 312 | 496 |
| Total finance costs | 312 | 496 |
| Net finance cost | 31,445 | 3,408 |
| <i>The exchange gain occurs due to the translation of the domiciliary account balance utilizing the Central Bank of Nigeria's exchange rate as of the reporting date. This is in line with IAS 21.</i> | | |
| g. Profit before income tax | | |
| (a) Profit before income tax is stated after charging: | | |
| | 31-Jan-25 | 31-Jan-24 |
| | ₦'000 | ₦'000 |
| Depreciation | 9,240 | 10,749 |
| Amortization of intangible assets | 469 | 300 |
| Employee benefit expense | 46,127 | 47,486 |
| Auditor's remuneration | 1,613 | 1,330 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

(b) Directors and employees

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|--------------------|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Salaries and wages | 31,020 | 29,681 |
| Direct labour | 12,891 | 15,672 |
| Pension costs | 2,216 | 2,133 |
| | <u>46,127</u> | <u>47,486</u> |

10. Earnings per share

(a) **Basic and diluted earnings per share**

The calculation of basic earnings per share has been based on the following:

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|--|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Earnings attributable to equity owners | 14,667,345 | 23,461 |
| Number of ordinary shares | 40,000 | 40,000 |
| Earnings per share - Basic (k) | <u>36,668</u> | <u>59</u> |

11. Taxation

(a) **Income tax expense**

The tax charge for the year has been computed after adjusting for certain items of expenditure and income,

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|---|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Current tax expense: | | |
| Company Income tax | 13,140 | 5,623 |
| Tertiary education tax | 2,291 | 1,397 |
| | <u>15,431</u> | <u>7,021</u> |
| Deferred tax expense: | | |
| Origination and reversal of temporary differences | 2,794 | 4,266 |
| Tax expense from continuing operations | <u>18,225</u> | <u>11,286</u> |

(b) **Reconciliation of effective tax rates**

The tax on the company's profit before tax differs from the theoretical amount as follows:

| | | <u>31-Jan-25</u> | | <u>31-Jan-24</u> |
|---|-----|------------------|-----|------------------|
| | % | <u>₦'000</u> | % | <u>₦'000</u> |
| Profit before income tax | | 6,518,457 | | 34,748 |
| Income tax using the statutory tax rate | 20% | 13,140 | 20% | 5,623 |
| Minimum tax | 0% | - | 0% | - |
| Effect of: | | | | |
| Impact of tertiary education tax | 3% | 2,291 | 3% | 1,397 |
| Tax exempt income | | - | | - |
| Non deductible expenses | | - | | - |
| Temporary difference | 30% | 2,794 | 30% | 4,266 |
| Total income tax expense in income | | <u>18,225</u> | | <u>11,286</u> |

The charge for taxation is based on the provisions of the Companies Income Tax Act, 2020. Tertiary education tax charge is based on the provisions of the Tertiary Education Trust Fund Act 2011.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

(c) Movement in current tax liability

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|---------------------------------------|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Balance, beginning of year | 7,021 | 10,070 |
| Charge for the year | 15,431 | 7,021 |
| Payments during the year | (5,750) | (855) |
| Over-provision for tax | - | (9,215) |
| WHT credit notes utilized in the year | - | - |
| Balance, end of year | <u>16,702</u> | <u>7,021</u> |

The provision in the prior year has been obviated due to the completion of the FIRS audit conducted. Therefore, an agreement was reached to settle the current tax liability with a payment totaling ₦855,000.

(d) Deferred taxation:

The movement in deferred taxation is as analysed below:

| | | |
|---------------------------|----------------|----------------|
| At 1 February | 302,406 | 298,140 |
| Provision during the year | <u>673,764</u> | <u>4,266</u> |
| At 31 January | <u>976,170</u> | <u>302,406</u> |

12a. Investment property

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|--|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Balance as at 1st February | 1,917,584 | 1,917,584 |
| Increase in fair value during the year | 6,441,025 | - |
| Reclassification | - | - |
| Balance as at 31 January | <u>8,358,610</u> | <u>1,917,584</u> |

The company's investment property located in Lagos and Port Harcourt was revalued on 31 January 2025 by Tobechei Ofor Consulting, using the market value approach. The revaluation resulted in a fair value gain of ₦6,441,025,000, which has been recognised in profit or loss for the year in accordance with IAS 40.35.

12b. Biological Asset

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|--|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Balance as at 1st February | - | - |
| Additions during the year | 687 | - |
| Impairment loss from fair value adjustment | (348) | - |
| Harvested/Disposed Assets | - | - |
| Balance as at 31 January | <u>339</u> | <u>-</u> |

The Company's biological assets, consisting of plantain, cassava, and trees, are measured at fair value less costs to sell. The determination of fair value involves estimates that are subject to change based on market conditions, climatic factors, and biological growth rates. Changes in fair value are recognised in profit or loss under "Impairment on Biological Assets".

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

14. Intangible Asset

| | 31-Jan-25 | 31-Jan-24 |
|---------------------------------------|---------------------|-------------------|
| | ₦'000 | ₦'000 |
| Cost: | | |
| Cost at 1 January | 800 | - |
| Addition | 1,774 | 800 |
| Asset Writen-off | (1,123) | - |
| | <u>1,451</u> | <u>800</u> |
| Amortization: | | |
| Accumulated amortization at 1 January | 300 | - |
| Amortization for the year | 469 | 300 |
| Asset Writen-off | (721) | - |
| | <u>48</u> | <u>300</u> |
| Net Intangible assets | <u>1,403</u> | <u>500</u> |

15a. Trade and Other Receivables

| | 31-Jan-25 | 31-Jan-24 |
|----------------------|----------------------|----------------------|
| | ₦'000 | ₦'000 |
| Trade receivables | 10,629 | 11,057 |
| Impairment allowance | (9,786) | (7,436) |
| | <u>843</u> | <u>3,621</u> |
| Other Receivables | 5,219 | 11,011 |
| Staff Receivables | 53 | 810 |
| Wht Receivables | 6,558 | 3,910 |
| | <u>12,673</u> | <u>19,352</u> |

At year-end, trade receivables include amounts owed by customers, with the increase in impairment driven by a fully impaired staff debt of ₦2,350,000.

15b. Impairment on related party receivables

| | 31-Jan-25 | 31-Jan-24 |
|----------------------|-----------------------|-----------------------|
| | ₦'000 | ₦'000 |
| Opening balance | 128,514 | 128,514 |
| Additional provision | - | - |
| Closing balance | <u>128,514</u> | <u>128,514</u> |

16. Inventories

| | 31-Jan-25 | 31-Jan-24 |
|-------------|----------------------|----------------------|
| | ₦'000 | ₦'000 |
| Inventories | 16,004 | 36,401 |
| | <u>16,004</u> | <u>36,401</u> |

17. Prepayments

Current prepayment comprises:

| | 31-Jan-25 | 31-Jan-24 |
|-------------------|-------------------|-------------------|
| | ₦'000 | ₦'000 |
| Prepaid Expenses | 461 | 299 |
| Prepaid insurance | 166 | 155 |
| Total current | <u>627</u> | <u>454</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

18. Cash and cash equivalents

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|--------------------------|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Cash at bank | 18,148 | 53,719 |
| Fixed deposit | 199,591 | 169,591 |
| Cash at hand | 163 | 121 |
| Cash and cash equivalent | <u>217,903</u> | <u>223,432</u> |

There was no restriction on the Company's cash and cash equivalents as at year-end. The cash and cash equivalents include fixed deposit with GT-bank as at year-end. The expected credit loss (ECL) model to assess impairment on cash and cash equivalents. However, due to the short-term nature of these balances and the high credit quality of the counterparties (licensed Nigerian commercial banks regulated by the CBN and insured by NDIC), the expected credit losses are assessed to be immaterial, and no impairment loss has been recognised.

19. Share capital

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|---------------------------------------|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| (a) Authorised: | | |
| 40,000,000 ordinary shares of N1 each | 40,000 | 40,000 |
| Issued and fully allotted: | | |
| 40,000,000 ordinary shares of N1 each | 40,000 | 40,000 |

20. Retained earnings

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|---------------------------------|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| At 1 February | 1,595,358 | 1,557,143 |
| Profit for the year | 6,500,231 | 23,461 |
| Dividend declared | (16,000) | - |
| Adjustment to retained earnings | 3,616 | 14,754 |
| At 31 January | <u>8,083,206</u> | <u>1,595,358</u> |

21. Deferred Income-Rent

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|-------------------------|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Opening Balance | 260,927 | 54,395 |
| Receipt during the year | 47,425 | 321,653 |
| Earned during the year | (128,985) | (115,121) |
| End of year | <u>179,367</u> | <u>260,927</u> |

21a. Deferred Income-Facility Fee

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|-------------------------|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Beginning of year | 1,384 | 1,416 |
| Receipt during the year | 14,269 | 13,191 |
| Earned during the year | (13,575) | (13,223) |
| End of year | <u>2,078</u> | <u>1,384</u> |

21b. Deferred Income

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|---------------------|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Total balance | 181,445 | 262,311 |
| Current portion | <u>71,668</u> | <u>112,380</u> |
| Non-current portion | <u>109,777</u> | <u>149,931</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

22. Dividend Payable

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|-------------------------|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Beginning of year | 15,566 | 19,546 |
| Dividend declared | 16,000 | - |
| Payment during the year | (7,424) | (3,980) |
| Prior year Adjustment | (3,616) | - |
| End of year | <u>20,525</u> | <u>15,566</u> |

During the year, it was identified that a dividend payment made in the prior year was incorrectly recorded by debiting Retained Earnings instead of reducing Dividend Payable. This has been corrected by debiting Dividend Payable and crediting Retained Earnings.

23 Revaluation Surplus

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|---|-------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Beginning of year | 2,034,653 | 2,034,653 |
| Revaluation Gain recognise in OCI | 8,838,083 | - |
| Deferred Tax Liabilities on Revaluation Surplus | (670,970) | - |
| End of year | <u>10,201,767</u> | <u>2,034,653</u> |

The company's property located in Lagos was revalued on 31 January 2025 by Tobechei Ofor Consulting,, a firm of qualified and independent valuers, using the market value approach. The revaluation resulted in an increase of ₦8,838,083,275, comprising ₦6,605,973,240 attributed to land and ₦2,232,110,035 to buildings. The revaluation gain has been recognised in other comprehensive income and accumulated in equity under revaluation surplus.

24. Trade and other payables

| | <u>31-Jan-25</u> | <u>31-Jan-24</u> |
|-------------------|------------------|------------------|
| | <u>₦'000</u> | <u>₦'000</u> |
| Trade Payables | 1,056 | 1,510 |
| Other Payables | 6,775 | 20,473 |
| Accrued Audit fee | 2,060 | 1,288 |
| PAYE Payable | 1,420 | 814 |
| VAT Payable | 1,490 | 1,047 |
| WHT Payable | 305 | 800 |
| Pension Payable | 232 | 998 |
| Gratuity Payable | 722 | 333 |
| | <u>14,060</u> | <u>27,264</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025

13 Property, plant and equipment

| | Land #'000 | Buildings #'000 | Plant & Machinery #'000 | Furniture & Equipment #'000 | Motor Vehicle #'000 | Total #'000 |
|----------------------------------|------------------|--------------------|-------------------------------|-----------------------------------|------------------------|-------------------|
| Cost: | | | | | | |
| At 1 February 2024 | 2,054,553 | 33,468 | 97,387 | 15,224 | 26,418 | 2,227,049 |
| Additions | - | 10,161 | 1,709 | 520 | 105 | 12,495 |
| Disposal | - | - | (8,171) | - | (2,300) | (10,471) |
| Revaluation Surplus | 6,605,973 | 2,232,110 | - | - | - | 8,838,083 |
| At 31 January 2025 | 8,660,526 | 2,275,739 | 90,924 | 15,744 | 24,223 | 11,067,156 |
| Cost: | | | | | | |
| At 1 February 2023 | 2,054,553 | 31,417 | 86,280 | 13,610 | 18,050 | 2,203,910 |
| Additions | - | 2,051 | 11,107 | 1,632 | 8,368 | 23,157 |
| Reclassifications/Adjustment | - | - | - | (17) | - | (17) |
| Disposal | - | - | - | - | - | - |
| At 31 January 2024 | 2,054,553 | 33,468 | 97,387 | 15,224 | 26,418 | 2,227,049 |
| Accumulated Depreciation: | | | | | | |
| At 1 February 2024 | - | 26,044 | 83,259 | 11,407 | 19,485 | 140,194 |
| Charge for the year | - | 837 | 5,228 | 1,056 | 2,118 | 9,240 |
| Disposal | - | - | (6,294) | - | (2,300) | (8,594) |
| At 31 January 2025 | - | 26,881 | 82,194 | 12,463 | 19,303 | 140,840 |
| Accumulated Depreciation: | | | | | | |
| At 1 February 2023 | - | 25,395 | 75,893 | 10,108 | 18,050 | 129,446 |
| Charge for the year | - | 649 | 7,366 | 1,299 | 1,435 | 10,749 |
| Disposal | - | - | - | - | - | - |
| At 31 January 2024 | - | 26,044 | 83,259 | 11,407 | 19,485 | 140,195 |
| Carrying amount: | | | | | | |
| At 31 January 2025 | 8,660,526 | 2,248,858 | 8,731 | 3,281 | 4,920 | 10,926,316 |
| At 31 January 2024 | 2,054,553 | 7,424 | 14,128 | 3,817 | 6,933 | 2,086,855 |

The company's property located in Lagos was revalued on 31 January 2025 by Tobechei Ofor Consulting, a firm of qualified and independent valuers, using the market value approach. The revaluation resulted in an increase of ₦8,838,083,275, comprising ₦6,605,973,240 attributed to land and ₦2,232,110,035 to buildings. The revaluation gain has been recognised in other comprehensive income and accumulated in equity under revaluation surplus.

(i) As at 31 January 2025, no item of property, plant and equipment was pledged as security for liabilities (2024: Nil).

(ii) There was no impairment of property, plants, and equipment recognised during the year. (2024:nil)

(iii) There is no restriction on the title of property, plant, and equipment pledged as security for liability.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

25. Financial risk management

Financial risk factors

The Company is exposed to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

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

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

Financial assets of the Company include cash at bank and in hand and trade and other receivables. Financial liabilities of the Company include Bank overdrafts, short term loans and trade and other payables.

(i) Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that services are rendered to clients with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

Exposure to credit risk

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

| | 31-Jan-25 | 31-Jan-24 |
|-----------------------------|-----------|-----------|
| | ₦'000 | ₦'000 |
| Trade and other receivables | 12,673 | 19,352 |

As the Company deals with a number of customers, management believes that the risk of credit concentration for a particular customer or with few customers is limited.

The ageing of trade receivables at the reporting date was:

| | 31-Jan-25 | 31-Jan-24 |
|--------------------|-----------|-----------|
| | ₦'000 | ₦'000 |
| From invoice date: | | |
| 0 - 90 days | 4,437 | 3,589 |
| 91 and above days | 6,192 | 7,468 |
| | 10,629 | 11,057 |

(ii) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimizing such losses such as maintaining sufficient cash and other highly liquid current assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

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

| | Carrying amount ₦'000 | Total ₦'000 | 1 year or less ₦'000 | Over 1 year ₦'000 |
|---------------------------|-----------------------------|----------------|----------------------------|-------------------------|
| At 31 January 2025 | | | | |
| Trade and other payables | 14,060 | 14,060 | 14,060 | - |
| | <u>14,060</u> | <u>14,060</u> | <u>14,060</u> | <u>-</u> |
| At 31 January 2024 | | | | |
| Trade and other payables | 27,264 | 27,264 | 27,264 | - |
| | <u>27,264</u> | <u>27,264</u> | <u>27,264</u> | <u>-</u> |

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Currency Risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies, primarily the Naira (N).

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

Interest rate risk

Interest rate risk is the risk that expenditure or the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was nil.

| | 31-Jan-25 ₦'000 | 31-Jan-24 ₦'000 |
|---------------------------|--------------------|--------------------|
| Variable rate instruments | - | - |
| Financial liabilities | <u>-</u> | <u>-</u> |

Sensitivity analysis

A 100 basis point strengthening of the Naira against the following currencies at 31 January would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2023.

| | 31-Jan-25 ₦'000 | 31-Jan-24 ₦'000 |
|---------------------------|--------------------|--------------------|
| Variable rate instruments | - | - |
| | <u>-</u> | <u>-</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

A 10 percent weakening of the Naira against the above currencies at 31 January would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant. In each of the above cases the impact on equity would be the same values as the above amounts.

| | 31-Jan-25 | 31-Jan-24 |
|---------------------------|-----------|-----------|
| | ₦'000 | ₦'000 |
| Variable rate instruments | - | - |

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while increasing the return to owners through the strive to improve the debt to equity ratio.

The Company's management follows the policy of providing a firm capital base which allows supporting the trust of shareholders, creditors and market and ensuring future business development.

In relation to capital management, the Company's objectives are as follows: maintaining the Company's ability to adhere to the going concern principle in order to provide income for shareholders and benefits to other interested parties, and also maintaining the optimal capital structure with the purpose of its cost reduction.

Market risk

Market risk management are measured using sensitivity analysis and therefore

| | 31-Jan-25 | 31-Jan-24 |
|--|-------------------|------------------|
| | ₦'000 | ₦'000 |
| EBITDA | | |
| Long term loans | | |
| Total amount of borrowings | - | - |
| Cash and cash equivalents | 217,903 | 223,432 |
| Net debt | 217,903 | 223,432 |
| Share capital | 40,000 | 40,000 |
| Retained earnings | 8,083,206 | 1,595,358 |
| Revaluation reserve | 10,201,767 | 2,034,653 |
| Total equity | 18,324,973 | 3,670,011 |
| Total amount of equity and net debt | 18,107,071 | 3,446,580 |
| Financial leverage coefficient | 1.20% | 6.48% |
| Profit for the period | 6,500,231 | 23,461 |
| Income tax | (18,225) | (11,286) |
| EBIT (Earnings before interest and income tax) | 6,482,006 | 12,175 |
| Depreciation & Amortisation | 9,709 | 11,049 |
| EBITDA (Earnings before interest, income tax, depreciation and amortization) | 6,491,715 | 23,224 |
| Net Debt/EBITDA | (454%) | (962%) |

During the year there were no changes in approaches to capital management. The Company is not subject to any external regulatory capital requirements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

26. Related party Information

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 parents company, subsidiaries, associates, and joint ventures, as well as key management personnel.

(I) Receivables from related parties

Receivables represent, among other things, amounts due from the rent of the company's office space by a director-owned entity at the rate of ₦5,604,000 per annum, facility fees for the office space and other amounts due from the director. Mr. Patrick Fernandes, the Director, attested that the outstanding balance is ₦90,000,000. He asked that this sum be the last and complete payment and that interest on the remaining loan balance cease. The ₦90,000,000 was approved by the board, and a timeframe is now being formed.

| | 31-Jan-25 | 31-Jan-24 |
|---|-----------|-----------|
| | ₦'000 | ₦'000 |
| Key management personnel | 128,514 | 128,514 |
| Impairment provision made relating to receivables from director | (128,514) | (128,514) |
| | - | - |

27. Key Management Personnel

Key management personnel are those persons who have authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. The key management personnel have been identified as the executive and non-executive directors of the Company.

(I) Key management personnel compensation for the period comprises:

| Name | Designation |
|----------------------------|-------------------------------------|
| Mrs. Ifeyinwa Essien-Akpan | Managing Director |
| Mrs. Labake Babalola | Head of Account |
| Mr. Awakan Boluwade | Marketing Manager |
| Mrs. Yetunde Oladunjoye | Senior Manager Business Development |

(ii) Remuneration of key management personnel

The compensation paid or payable to key management for employee services is shown below:

| | 31-Jan-25 | 31-Jan-24 |
|---|-----------|-----------|
| | N'000 | N'000 |
| Salaries and other short-term benefits | 26,131 | 19,472 |
| Termination benefits | - | - |
| | 26,131 | 19,472 |
| Chairman and directors' remuneration | | |
| | 31-Jan-25 | 31-Jan-24 |
| | ₦'000 | ₦'000 |
| Fees paid | - | 4,185 |
| Chairman | - | 4,185 |
| Emolument paid to Managing director | 15,549 | 9,776 |
| | 15,549 | 9,776 |
| The directors' remuneration shown above includes: | | |
| Managing director | 15,549 | 9,776 |
| Highest paid director | 15,549 | 9,776 |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2025**

The table below shows the number of Directors of the company whose remuneration excluding pension contributions (in respect of services to the company) fell within the bands stated below:

| (a) Directors | 31-Jan-25 | 31-Jan-24 |
|-----------------------|------------------|------------------|
| | Number | Number |
| 1,000,001 - 4,999,999 | - | - |
| Above 5,000,000 | 1 | 1 |
| | <u>1</u> | <u>1</u> |

| (b) Employee | 31-Jan-25 | 31-Jan-24 |
|---|------------------|------------------|
| | Number | Number |
| The average number of persons employed during the year was: | | |
| Management Staff | 4 | 4 |
| Senior staff | 3 | 3 |
| | <u>7</u> | <u>7</u> |

The number of employee in receipt of emoluments (excluding allowances) within the following range were:

| | 31-Jan-25 | 31-Jan-24 |
|-----------------------|------------------|------------------|
| | Number | Number |
| 1,000,000 - 3,000,000 | 7 | 7 |
| 3,000,001 - 5,000,000 | 3 | 2 |
| | <u>10</u> | <u>9</u> |

28. Guarantees and other financial commitments

(a) Contingent liabilities

The Company has a pending legal proceedings. Based on the advise of the Company's solicitors, management is of the opinion that the outcome will not have a material adverse effect on the Company's financial position. Accordingly, no provision has been made in the financial statements.

(b) Capital commitments

The Company had no authorized or contracted capital commitment as at year-end.

29. Events after the reporting date

There were no significant events after the reporting date that could have a material effect on the financial position of the Company as at 31 January 2025, which have not been adequately provided for or disclosed in these financial statements.

However, on 2 October 2025, the Board of Directors proposed a dividend of ₦0.50 (kobo 50) per ordinary share in respect of the financial year ended 31 January 2025. The proposed dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting and has not been recognised as a liability in these financial statements.

This disclosure is made in accordance with the requirements of IAS 10 – Events after the Reporting Period and the provisions of the Financial Reporting Council of Nigeria (FRCN) Act, which require the disclosure of material post-reporting-date events that could influence users' understanding of the financial statements.

30. Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

31. Provision of other services

Neither PPS Chartered Accountants nor its related parties provided any non-audit service to the client during the year under review.

**VALUE ADDED STATEMENT
FOR YEAR ENDED 31 JANUARY 2025**

| | 31-Jan-25 | % | 31-Jan-24 | % |
|--|-------------------------|-----|----------------------|-----|
| | N'000 | | N'000 | |
| Revenue | 54,385 | | 86,264 | |
| Other Income | 6,638,689 | | 132,954 | |
| Less; Cost of Bought in goods and services | | | | |
| Foreign | - | | - | |
| Local | (114,060) | | (124,388) | |
| Value Added | <u><u>6,579,013</u></u> | 100 | <u><u>94,829</u></u> | 100 |
| Applied as follows; | | | | |
| Employees | | | | |
| Salaries & Wages | 43,911 | 1 | 45,353 | 48 |
| Government | | | | |
| - Taxes | 18,225 | 0.3 | 11,286 | 12 |
| Provider of capital | | | | |
| - Dividend for the year | 7,406 | 0 | 3,980 | 4 |
| Retained in the Business | | | | |
| To maintain and replace: | | | | |
| - for replacement of property, plant & equipment | 9,240 | 0 | 10,749 | 11 |
| To reserves | 6,500,231 | 99 | 23,461 | 25 |
| | <u><u>6,579,013</u></u> | 100 | <u><u>94,829</u></u> | 100 |

NOTE: "Value Added" represents the additional wealth which the company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth amongst employees, capital providers, government and that retained for future creation of wealth.

**FIVE-YEAR FINANCIAL SUMMARY
YEAR ENDED 31 JANUARY 2025**

| | 31-Jan-25 | 31-Jan-24 | 31-Jan-23 | 31-Jan-22 | 31-Jan-21 |
|--------------------------------------|-------------------|------------------|------------------|------------------|------------------|
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Assets | | | | | |
| Investment property | 8,358,610 | 1,917,584 | 1,917,584 | 1,917,584.12 | 1,917,584.32 |
| Property, plant and equipment | 10,926,316 | 2,086,855 | 2,074,464 | 2,079,675 | 2,084,040 |
| Intangible Asset | 1,403 | 500 | - | - | - |
| Biological Asset | 339 | - | - | - | - |
| Current assets | 247,207 | 279,639 | 86,067 | 83,252 | 43,335 |
| Net assets | 19,533,874 | 4,284,578 | 4,078,115 | 4,080,511 | 4,044,959 |
| Equity & liabilities | | | | | |
| Share capital | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| General reserve | 8,083,206 | 1,595,358 | 1,557,143 | 1,567,079 | 1,569,059 |
| Revaluation reserve | 10,201,767 | 2,034,653 | 2,034,653 | 2,034,653 | 2,034,653 |
| Current liabilities | 122,955 | 162,230 | 112,460 | 82,661 | 53,660 |
| Non-current liabilities | 1,085,947 | 452,337 | 333,859 | 356,118 | 347,587 |
| Shareholders' fund | 19,533,874 | 4,284,578 | 4,078,115 | 4,080,511 | 4,044,959 |
| Statement of profit or loss | | | | | |
| Revenue | 54,385 | 86,264 | 168,079 | 144,805 | 42,942 |
| Profit before taxation | 6,518,457 | 34,748 | 27,190 | 14,990 | 1,809,849 |
| Taxation | (18,225) | (11,286) | (7,111) | (5,682) | (5,236) |
| Profit after taxation | 6,500,231 | 23,462 | 20,079 | 9,308 | 1,804,613 |
| Other comprehensive income | 8,167,114 | - | - | - | 2,034,653 |
| Total comprehensive income | 14,667,345 | 23,462 | 20,079 | 9,308 | 3,839,266 |
| Number of ordinary shares of ₦1 each | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| Earnings per share | 36,668 k | 59 k | 50 k | 23 k | 9,598 k |
| Dividend per share | 50 k | 40 k | - k | 20 k | 20 k |