

eTRANZACT INTERNATIONAL PLC

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

eTRANZACT INTERNATIONAL PLC
REPORT OF THE DIRECTORS, STATUTORY AUDIT COMMITTEE,
AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024

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eTRANZACT INTERNATIONAL PLC

Report of the Directors

For the year ended 31 December 2024

The Directors present their annual report on the affairs of eTranzact International Plc ("the Company"), together with the financial statements and auditor's report for the year ended 31 December 2024.

Legal Form and Principal Activities

The Company was incorporated as a Private Limited Liability Company on 7 May 2003. It converted and registered as a Public Limited Liability Company on the 25 June 2009 and its shares were listed on The Nigerian Stock Exchange on 7 August, 2009. The principal activity of the Company is the provision of all facets of electronic payment technology and maintenance services.

Operating Results

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

				2024	2023
				N'000	N'000
Revenue				29,896,490	33,905,417
Gross profit				11,359,158	8,320,459
Operating profit				4,661,951	3,132,481
Profit before income tax expense				4,897,062	3,196,473
Income tax expense				(1,503,730)	(994,684)
Profit after income tax expense				3,393,332	2,201,789

Shareholders With More Than 5% Interest

	31 December 2024		31 December 2023	
Name of the Company	Number of shares	%	Number of shares	%
Access Bank Nigeria Plc	3,455,729,217	37.56%	3,455,729,217	37.56%
eTranzact Global Limited	2,070,107,154	22.50%	2,070,107,154	22.50%
Accelerex Holdings	1,026,173,333	11.15%	1,026,173,333	11.15%
Sybase Nigeria Business Solutions Ltd	568,014,565	6.17%	568,014,565	6.17%
Blue Account GASL Nominee Ltd	544,163,523	5.91%	544,163,523	5.91%
	7,664,187,792	83.29%	7,664,187,792	83.29%

Share Capital

As at 31 December 2024, the issued share capital of the Company is Four Billion, Five Hundred and Ninety Nine Million, Nine Hundred and Ninety Nine Thousand, Nine Hundred and Eight Naira (N4,599,999,908) divided into Nine Billion, One Hundred and Ninety Nine Million, Nine Hundred and Ninety Nine Thousand, Eight Hundred and Sixteen (9,199,999,816) ordinary shares of 50kobo each.

Share Capital History

The Company was incorporated in 2003 as a Private Limited Liability Company with an initial authorized share capital of ₦1,000,000 divided into 1,000,000 ordinary shares of ₦1.00 each. In 2005, the Company increased its share capital to ₦350,000,000 divided into 350,000,000 ordinary shares of ₦1.00 each. In 2008, the Company further increased its share capital to ₦2,100,000,000 divided into 4,200,000,000 ordinary shares of 50kobo each and was listed on The Nigerian Stock Exchange in 2009.

In 2021, there was an increase of ₦1,217,283,241 in paid-up issued share capital during the year which is made up of 2,434,566,480 ordinary shares. The additional share capital is a result of the right issues that was completed during the year.

In 2022 there was an increase of ₦1,282,716,667 in paid-up issued share capital which is made up of 2,565,433,333 ordinary shares. The additional share capital is a result of the irredeemable convertible debentures that were converted to equity in 2022.

As at date, the Company has share capital of ₦4,599,999,908 divided into 9,199,999,816 ordinary shares of 50kobo each and a paid up share capital of ₦4,599,999,908.00 divided into 9,199,999,816 ordinary shares of 50kobo each.

Proposed dividend

In respect of the current year 2024, the Directors proposed that a dividend of 12.50 kobo per ordinary share be paid to shareholders. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed dividend is subject to a withholding tax at the appropriate tax rate and is payable to all shareholders whose names appear in the Register as at Closure Date. The total estimated dividend to be paid is N 1.150 billion.

eTRANZACT INTERNATIONAL PLC
Report of the Directors - Continued
For the year ended 31 December 2024

Directors and their Interests in Shares

The Directors of the Company who held office during the year together with their interests in the shares of the Company at 31 December 2024 are shown below:

Name of Director & Company	31 December 2024			31 December 2023		
	Direct Holdings	Indirect Holdings	%	Direct Holdings	Indirect Holdings	%
Mr. Afolabi Oladele (eTranzact Global Limited)	-	2,070,107,154	22.50	-	2,070,107,154	22.501
Mr. Victor Etuokwu (Access Bank Plc)	-	3,455,729,217	37.56	-	3,455,729,217	37.562
Mr. Wole Abegunde (Meristem Securities Limited)	-	324,723,892	3.53	-	324,723,892	3.53
Mr. Niyi Toluwalope	35,018,304	-	0.38	35,018,304	-	0.38
	35,018,304	5,850,560,263	63.97	35,018,304	5,850,560,263	63.974

Directors Interest in Contracts

For the purpose of Section 303(1) and (3) of Companies and Allied Matters Act of Nigeria, 2020 (CAMA 2020), all contracts with related parties during the year were conducted at arm's length. Information relating to related parties transactions are contained in Note 31 to the financial statements.

Related Director	Name of Company	Status	Service to the Company
Mr. Wole Abegunde	Meristem Group	Director	Registrars and Stock Brokers
Mr. Afolabi Oladele	eTranzact Global Limited	Director	Platform Provider

Property, Plant and Equipment

Movements in property, plant and equipment for the period are shown in Note 15 to the Financial Statements. In the opinion of the Directors, market value of property, plant and equipment is not less than the value shown in the Financial Statements.

Employment and Employees:

i. Employment Policy

The Company gives equal opportunity to all applicants including disabled persons. All employees whether or not disabled are given equal opportunity for career growth and development. As at 31 December 2024, no disabled person applied for employment in the Company.

ii. Health, Safety and Welfare of Employees

The Company places high importance on the health, safety and welfare of its employees. It ensures that the work environment is safe. Employees are entitled to graduated medical allowances. Hazard allowances are also paid to employees who are exposed to hazards in the course of their duties. Other staff benefits which include employers contribution to pension schemes are also implemented.

iii. Employees Involvement and Training

The Company is of the opinion that its employees are an invaluable asset and as such equip them with skills and knowledge necessary to keep them up to date and enhance efficiency on their jobs.

The employees are considerably involved in major policy matters affecting them and are informed on various factors affecting the performance of the Company. This is achieved through formal and informal meetings. All employees are exposed to trainings, workshops and seminars that are necessary to enhance their knowledge and skill. The Company encourages continuing knowledge development of its employees.

iv. Donations

In compliance with Section 43(2) of the Companies and Allied Matters Act of Nigeria, 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose, nor other donations, during the year (2023: Nil).

v. Format of Accounts

The Financial Statements have been prepared in accordance with the standards and requirements of the IFRS Accounting Standards and the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria (Amended) Act, 2023. The Directors consider that the format adopted in this account is the most suitable for the Company's purposes.

eTRANZACT INTERNATIONAL PLC
Report of the Directors - Continued
For the year ended 31 December 2024

vi. Independent Auditor

The Auditor, Messrs. Ernst & Young has indicated their willingness, to continue in office as the Company's Auditor in accordance with Section 401 (2) of the Companies and Allied Matters Act 2020.

BY ORDER OF THE BOARD



Isaiah Oreweme
PAC SOLICITORS (Company Secretary)
FRC/2014/PRO/NBA/002/0000006267
10, Canaanland Street, Off Whitesands Avenue
Lekki, Lagos State
Tel: 09099298887, 08063480070
27 March 2025

eTRANZACT INTERNATIONAL PLC
Statement of Corporate Responsibility for the Financial Statements
For the year ended 31 December 2024

In line with the provision of Section 405 of Companies and Allied Matter Act 2020, we have reviewed the audited financial statements of the Company for the year ended 31 December 2024, and based on our knowledge confirm as follows:

- i The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading.
- ii The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for the year ended 31 December 2024.
- iii The Company's internal controls for the year 2024 have been designed to ensure that all material information relating to the Company is received and provided to the Auditors in the course of the audit.
- iv The Company's internal controls were evaluated within 90 days of the financial reporting date and are effective as of 31 December 2024.
- v That we have disclosed to the Company's Auditor and Audit Committee the following information:
 - a there are no significant deficiencies in the design or operation of the Company internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with the auditor any weaknesses in internal controls observed in the course of the audit.
 - b there is no fraud involving management or other employees which could have any significant role in the Company internal control.
- vi There are no significant changes in internal controls or in the other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weaknesses.



Mr. Emmanuel Ogunji
Chief Financial Officer
FRC/2014/PRO/ICAN/001/00000007266
27 March 2025



Mr. Niyi Tohuwalope
Chief Executive Officer
FRC/2013/PRO/ICAN/002/00000002251
27 March 2025

eTRANZACT INTERNATIONAL PLC

Statement of Directors' Responsibilities in Relation to the Preparation of Financial Statements

For the year ended 31 December 2024

The Directors of eTranzact International Plc are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2024, and the results of its operations, changes in equity and cash flows for the year then ended, in compliance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria (Amendment) Act 2023.

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

- * properly selecting and applying accounting policies;
- * presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- * providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- * making an assessment of the Company's ability to continue as a going concern.
- * designing, implementing and maintaining an effective and sound system of internal controls throughout the Company.
- * maintaining adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company, and which enable them to ensure that the financial statements of the Company comply with IFRS;
- * maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- * taking such steps as are reasonably available to them to safeguard the assets of the Company; and
- * preventing and detecting fraud and other irregularities.

Going Concern:


The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the next 12 months from the date of this statement.

The financial statements of the Company for the year ended 31 December 2024 were approved by the directors on 27 March 2025.

On behalf of the Directors of the Company



Mr. Nivi Toluwalope
Chief Executive Officer
FRC/2013/PRO/ICAN/002/0000002251
27 March 2025



Mr. Wole Abegunde
Chairman
FRC/2014/PRO/DIR/003/00000010043
27 March 2025

eTRANZACT INTERNATIONAL PLC
Management's Report on the Effectiveness of Internal Control over Financial Reporting
For the year ended 31 December 2024

The management of eTranzact International Plc ("the Company") is responsible for establishing and maintaining adequate internal control over financial reporting as required by the Securities and Exchange (SEC) Act, 2007, and the Financial Reporting Council (Amendment) Act, 2023.

The management of eTranzact International Plc assessed the effectiveness of the internal control over financial reporting of the Company as of 31 December 2024 using the criteria set forth by the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with the SEC Guidance on Implementation of section 60 to 63 of Investments and Securities Act 2007.

As of 31 December 2024, the management of eTranzact International Plc did not identify any material weakness in its assessment of internal control over financial reporting. As a result, management has concluded that as of 31 December 2024, the Company's internal control over financial reporting was effective.

The Company's independent auditor, Ernst & Young who audited the financial statements included in the Annual Report, issued an unmodified conclusion on the effectiveness of the Company's internal control over financial reporting as of 31 December 2024 based on the limited assurance engagement performed by them. Ernst & Young limited assurance report is included as part of the Annual Report.

Management's Remediation Plan and Status

Management is committed to maintaining a strong internal control environment. In response to the identified deficiencies noted in our assessment of the Internal Control over Financial Reporting for the company, management has already taken steps to substantially remediate these deficiencies and will continue to take further steps until such remediation is complete. The steps taken by management on the outstanding deficiencies yet to be remediated were to identify appropriate compensating controls to mitigate the financial risks that may result in a misstatement in the financial statement. While Management has taken steps to substantially remediate these identified deficiencies, we will continue to complete the remediation process as quickly as possible.

As management continues to evaluate and work to improve our Internal control over financial reporting, we may take additional measures to address these control deficiencies or modify certain remediation measures described above.



Mr. Niyi Toluwalope
Chief Executive Officer
FRC/2013/PRO/ICAN/002/0000002251
27 March 2025



Mr. Emmanuel Ogunji
Chief Financial Officer
FRC/2014/PRO/ICAN/001/00000007266
27 March 2025

eTRANZACT INTERNATIONAL PLC
Certification Of Management'S Assessment Of Internal Control over Financial Reporting
For the year ended 31 December 2024

We, Niyi Toluwalope (Chief Executive Officer) and Emmanuel Ogunji (Chief Financial Officer) certify that:

- a) We have reviewed the 2024 Annual Financial Statements of eTranzact International Plc ('the Company').
- 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, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
- c) Based on our knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of 31 December 2024, presented in this report;
- d) eTranzact International Plc certifying officers:
 - 1) are responsible for establishing and maintaining internal controls.
 - 2) have designed such internal controls and procedures or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to eTranzact International Plc, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
 - 3) have designed such internal control system or caused such internal control system to be designed under our supervision, 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.
 - 4) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of 31 December 2024 covered by this report based on such evaluation.
- e) eTranzact International Plc certifying officers have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors (Ernst & Young) and the audit committee that:
 - 1) There were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - 2) There was no fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) eTranzact International Plc certifying officers have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to deficiencies noted.



Mr. Niyi Toluwalope
Chief Executive Officer
FRC/2013/PRO/ICAN/002/0000002251
27 March 2025



Mr. Emmanuel Ogunji
Chief Financial Officer
FRC/2014/PRO/ICAN/001/0000007266
27 March 2025

eTRANZACT INTERNATIONAL PLC
Report of the Statutory Audit Committee

For the year ended 31 December 2024

To the members of eTranzact International PLC

In compliance with Section 404 (7) of the Companies and Allied Matters Act of Nigeria 2020, we, the members of the Audit Committee of eTranzact International PLC ("the Company") confirm that:

- In our opinion, the accounting and reporting policies of the Company are in accordance with the legal requirements and agreed ethical practices.
- We reviewed the plan and scope of both the external and internal audits and were satisfied that they reinforce the Company's internal control.
- We reviewed the Audited Financial Statements of the Company and were satisfied with the External Auditors report that they received Management's cooperation and responses in the course of their audit.



Dominic Ichaba
Chairman, Audit Committee
FRC/2014/PRO/NBA/004/00000006264

27 March 2025

Members of the Audit Committee

- | | | |
|---------------------------|---|----------------------|
| 1. Mr. Dominic Ichaba | - | Shareholder/Chairman |
| 2. Mr. Robert Ibekwe | - | Shareholder |
| 3. Mr. Mathias Dafur | - | Shareholder |
| 4. Mr. Afolabi Oladele | - | Director |
| 5. Mr. Uche Valentine Obi | - | Director |

Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

To the Members of eTranzact International Plc

Scope

We have been engaged by eTranzact International Plc ('the Company') to perform a 'limited assurance engagement', based on International Standards on Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, herein referred to as the engagement, to report on eTranzact International Plc Internal Control over Financial Reporting (ICFR) (the "Subject Matter") contained in the company's Management's Assessment on Internal Control over Financial Reporting as of 31 December 2024 (the "Report").

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:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- (2) 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
- (3) 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.

Criteria applied by eTranzact International Plc

In designing, establishing and operating the Internal Control over Financial Reporting (ICFR) and preparing the Management's assessment of the Internal Control over Financial Reporting (ICFR), eTranzact International Plc applied the requirements of Internal Control-Integrated Framework (2013) of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and SEC Guidance on Management Report on Internal Control Over Financial Reporting (Criteria). Such Criteria were specifically designed to enable organizations effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization; As a result, the subject matter information may not be suitable for another purpose.

Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

eTranzact International Plc responsibilities

eTranzact International Plc management is 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 eTranzact International Plc management's assessment of the Internal Control over Financial reporting as of 31 December 2024 in accordance with the criteria.

Our responsibilities

Our responsibility is to express a conclusion on the design and operating effectiveness of the Internal Control over Financial Reporting based on our Assurance engagement.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, those standards require that we plan and perform our engagement to obtain limited assurance on the entity's internal control over financial reporting based on our assurance engagement.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we 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.

Description of procedures performed

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.

Conclusion

In conclusion, nothing has come to our attention to indicate that the internal control over financial reporting put in place by management, as contained and assessed in eTranzact International Plc's Management Assessment on Internal Control over Financial Reporting, is not adequate as of 31 December 2024, based on the requirements of Committee of Sponsoring Organizations of the Treadway Commission (COSO) Framework and Securities and Exchange Commission (SEC) Guidance on Management Report on Internal Control Over Financial Reporting.



Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting

Other Matter

We also have audited, in accordance with the International Standards on Auditing, the financial statements for the year ended 31 December 2024 of eTranzact International Plc and we expressed an unmodified opinion in our Auditor's report dated 29 March 2025. Our conclusion is not modified in respect of this matter.

A handwritten signature in black ink, appearing to read 'Jamiu Olakisan', is written above a dashed horizontal line.

Jamiu Olakisan
FRC/2013/PRO/ICAN/004/00000003918

For: Ernst & Young
Lagos, Nigeria

Date: 29 March 2025



Ernst & Young
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57, Marina
Lagos, Nigeria

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ETRANZACT INTERNATIONAL PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of eTranzact International Plc ('the Company'), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of eTranzact international Plc as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act. 2023.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S REPORT

Key Audit Matters - *Continued*

Key Audit Matter	How our audit addressed the matter
<p><i>Expected Credit Loss (ECL) assessment of trade receivables at amortised cost.</i></p> <p>The gross carrying amount of the Company's trade receivables as at 31 December 2024 measured at amortized cost is ₦558 million (2023: ₦578million) and the associated expected credit loss (ECL) allowance is ₦361 million (2023: ₦466 million). These balances are considered significant to the financial statements.</p> <p>This was considered a key audit matter as it requires significant judgment to determine the ECL under IFRS 9: <i>Financial Instruments</i>.</p> <p>In assessing trade receivables for impairment, the simplified approach was applied using the provision matrix method, and as such not assessed for a significant increase in credit risk. The loss rates are based on days past due for groupings of various customer segments with similar loss patterns.</p> <p>The approach also involves the application of a considerable level of judgment and estimation in determining inputs for ECL calculation such as:</p> <ul style="list-style-type: none"> ▸ Determining loss rates using the historical loss record ▸ Adjusting the loss rates by incorporating forward-looking information ▸ Selecting macroeconomic variables that impact receivables. <p>This is considered a key audit matter in the financial statements given the level of complexity and judgment involved in the process which required considerable audit time and expertise.</p> <p>ECL assessment is disclosed in Note 22 to the financial statements and Note 3.14.1 of accounting policies.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We reviewed and documented management's process for impairment assessment of trade receivables. • We reviewed how loss rates were determined including the repayment history for possible repayment default. • We assessed the various macro-economic factors considered in incorporating forward-looking information and also assigning probability weights to the multiple scenarios. • We performed an independent estimation of the expected credit loss based on independently sourced data. • We evaluated the level of allowance made by management for trade receivables. • We reviewed the accuracy and completeness of the qualitative and quantitative disclosures related to ECL on trade receivables in the financial statements to ensure compliance with IFRS 7 Financial Instruments Disclosures.

INDEPENDENT AUDITOR'S REPORT

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "eTranzact International Plc Annual Report and Audited Financial Statements for the year ended 31 December 2024", which includes the Report of the Directors, Statement of Corporate Responsibility for the Financial Statements, Statement of Directors' Responsibilities in Relation to the Preparation of Financial Statements, Management's Report on the Effectiveness of Internal Control over Financial Reporting, Certification of Management's Assessment of Internal Control over Financial Reporting, Report of the Statutory Audit Committee and Other National Disclosures which we obtained prior to the date of this report, and the Annual Report & Accounts, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Financial Statements - *Continued*

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

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

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- ▶ We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- ▶ In our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books.
- ▶ The Company's statement of financial position and statement of profit or loss and other comprehensive income agree with the books of account.

In accordance with the requirements of the Financial Reporting Council of Nigeria (FRC) Guidance on Assurance Engagement Report on Internal Control over Financial Reporting:

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 29 March 2025.



Jamiu Olakisan
FRC/2013/PRO/ICAN/004/00000003918
For Ernst & Young
Lagos, Nigeria

29 March 2025



eTRANZACT INTERNATIONAL PLC

Statement of profit or loss and other comprehensive income For the year ended 31 December 2024

	Note	2024 N'000	2023 N'000
Revenue	5	29,896,490	33,905,417
Cost of sales	6	<u>(18,537,332)</u>	<u>(25,584,958)</u>
Gross profit		11,359,158	8,320,459
Selling and marketing costs	7	(424,096)	(268,302)
Administrative expenses	8	(6,376,963)	(4,941,222)
Net impairment reversal	8A	<u>103,852</u>	<u>21,546</u>
Operating profit		4,661,951	3,132,481
Interest income using the effective interest method	10	242,920	94,060
Interest expense using the effective interest method	10	(18,778)	(38,416)
Other income	11	<u>10,969</u>	<u>8,348</u>
Profit before income tax expense		4,897,062	3,196,473
Income tax expense	13.1	<u>(1,503,730)</u>	<u>(994,684)</u>
Profit for the year		3,393,332	2,201,789
Other comprehensive income for the year		-	-
Total comprehensive income for the year, net of tax		<u>3,393,332</u>	<u>2,201,789</u>
Earnings per share			
Basic and diluted earnings per share (in kobo)	14	<u>37</u>	<u>24</u>

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


eTRANZACT INTERNATIONAL PLC


Statement of Financial Position

As at 31 December 2024

	Note	31/12/2024 N'000	31/12/2023 N'000
Non-current assets			
Property, plant and equipment	15	2,528,374	1,483,676
Investment property	16	136,810	136,810
Intangible assets	17	25,238	51,638
Deposit for shares	18	456,755	456,755
Total non-current assets		3,147,177	2,128,879
Current assets			
Inventories	21	2,205,911	2,296,714
Trade and other receivables	22	555,191	480,328
Other assets	20	5,439,870	3,601,351
Cash and short term deposits	23	12,652,482	19,697,267
Total current assets		20,853,454	26,075,660
Total assets		24,000,631	28,204,539
Equity			
Share capital	26.1	4,600,000	4,600,000
Share premium	26.2	7,374,271	7,374,271
Retained earnings/(accumulated losses)	27	2,896,677	(496,655)
Total equity		14,870,948	11,477,616
Non-current liabilities			
Deferred grant income	25.1	39,196	56,293
Long term borrowing	25	139,435	201,547
Total non-current liabilities		178,631	257,840
Current liabilities			
Trade and other payables	24	7,260,330	15,267,255
Current income tax payable	13.2	1,602,242	1,113,348
Current portion of deferred grant income	25.1	17,051	17,051
Current portion of long term borrowing	25	71,429	71,429
Total current liabilities		8,951,052	16,469,083
Total liabilities		9,129,683	16,726,923
Total equity and liabilities		24,000,631	28,204,539

The financial statements were approved by the Board of Directors on 27 March 2025 and signed on its behalf by:


 Mr. Niyi Toluwalope
 Chief Executive Officer
 FRC/2013/PRO/ICAN/002/00000002251


 Mr. Wole Abegunde
 Chairman
 FRC/2014/PRO/DIR/003/00000010043


 Additionally signed by:
 Mr. Emmanuel Ogunji
 Chief Financial Officer
 FRC/2014/PRO/ICAN/001/00000007266

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

eTRANZACT INTERNATIONAL PLC

**Statement of changes in equity
For the year ended 31 December 2024**

Note	Share capital N'000	Share premium N'000	Retained earnings/(Accumulated losses) N'000	Total N'000
Balance at 1 January 2023	4,600,000	7,374,271	(2,698,444)	9,275,827
Profit for the year	-	-	2,201,789	2,201,789
Other comprehensive income for the year	-	-	-	-
Total comprehensive income	-	-	2,201,789	2,201,789
Balance at 31 December 2023	4,600,000	7,374,271	(496,655)	11,477,616
Balance at 1 January 2024	4,600,000	7,374,271	(496,655)	11,477,616
Profit for the year	-	-	3,393,332	3,393,332
Other comprehensive income for the year	-	-	-	-
Total comprehensive income	-	-	3,393,332	3,393,332
Balance at 31 December 2024	4,600,000	7,374,271	2,896,677	14,870,948

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

eTRANZACT INTERNATIONAL PLC

Statement of cash flows
For the year ended 31 December 2024

	Note	2024 N'000	2023 N'000
<i>Cash flows from operating activities</i>			
Cash receipt from customers		38,114,289	27,473,432
Cash paid to suppliers and employees		(34,303,981)	(24,623,378)
Cash from operations		<u>3,810,308</u>	<u>2,850,054</u>
Income taxes paid	13.2	<u>(1,014,837)</u>	<u>(283,417)</u>
<i>Net cash flows from operating activities</i>	30	<u>2,795,471</u>	<u>2,566,637</u>
<i>Cash flows from investing activities</i>			
Purchase of property, plant and equipment	15	(1,703,497)	(996,839)
Interest income received	10	242,920	94,060
Movement in fixed deposit with maturity of more than 3 months at year end		(386,490)	(85,717)
Proceeds from sale of property, plant and equipment		-	4,312
<i>Net cash flows used in investing activities</i>		<u>(1,847,067)</u>	<u>(984,184)</u>
<i>Cash flows from financing activities</i>			
Principal repayment of long term loan	25	(71,429)	(71,429)
Interest payment of long term loan	25	<u>(26,558)</u>	<u>(31,513)</u>
<i>Net cash flows used in financing activities</i>		<u>(97,987)</u>	<u>(102,942)</u>
<i>Net increase in cash and cash equivalents</i>			
Cash and cash equivalents at 1 January	23	<u>850,417</u>	<u>1,479,510</u>
		<u>2,758,587</u>	<u>1,279,077</u>
<i>Cash and cash equivalents at 31 December</i>	23	<u>3,609,005</u>	<u>2,758,587</u>

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

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements

For the year ended 31 December 2024

1.0 Description of business

eTranzact International Plc. was incorporated as a Private Limited Liability Company in 2003 with Tax Identification Number TIN: 00775737-0001. It became a Public Limited Liability Company in 2009 and has since been quoted on the Nigerian Stock Exchange. The majority shareholder is Access Bank Nigeria Plc with a shareholding of 37.56% while the remaining shareholding is held by diverse group of shareholders including institutional investors.

The Company is a payment technology provider principally engaged in the processing of all facets of electronic payment transactions using its switching platform. It also provides maintenance and software development services. The switching platform processes transactions across various channels which includes:

- Mobile Phones (GSM, CDMA or Analog)
- Web (using any internet browser in a secured transaction)
- POS (Point of Sale)
- ATM (Automated Teller Machines)
- Other mobile devices
- Bank branches

The registered address of the Company is 4th and 5th Floors, Fortune Towers, 27/29, Adeyemo Alakija Street, Victoria Island, Lagos.

1.1 Composition of financial statements

The financial statements of the Company consist of the following:

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

1.2 Financial period

These financial statements cover the financial year ended 31 December 2024, with comparative amounts for the financial year ended 31 December 2023.

1.3 Going concern

The Directors consider it appropriate to prepare these financial statements on the basis of accounting policies applicable to a going concern.

1.4 Functional currency and presentation

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

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements

For the year ended 31 December 2024

2 Application of new and revised International Financial Reporting Standard (IFRS)

2.1 Standards/amendments issued that became effective during 2024

During the year, the following new standards/amendments to IFRSs became effective, but had no impact on the financial statements of the Company.

- * Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants -Amendments to IAS 1 (Effective 1 January 2024)
- * Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 (Effective 1 January 2024)
- * Disclosures: Supplier Finance Arrangements -Amendments to IAS 7 and IFRS 7 (Effective 1 January 2024)

2.2 Standards/amendments issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

- * Lack of exchangeability – Amendments to IAS 21 (Effective 1 January 2025)
- * IFRS 18 Presentation and Disclosure in Financial Statements (Effective 1 January 2027)
- * IFRS 19 Subsidiaries without Public Accountability: Disclosures (Effective 1 January 2027)
- * Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28
- * Classification and Measurement of Financial Instruments-Amendments to IFRS 9 and IFRS 7
- * Annual Improvements to IFRS Accounting Standards — Volume 11.

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements

For the year ended 31 December 2024

3. Material accounting policies

3.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the provisions of the Companies and Allied Matters Act 2020 and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

3.2 Basis of preparation

The financial statements consist of the statement of profit or loss and other comprehensive income, statement of financial position, the statement of changes in equity, statement of cash flows and notes to the financial statements.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 4 to the financial statements.

3.3 Revenue

The Company recognises revenue from the following major sources:

- Mobile purchases of airtime, service and transaction fees on mobile devices
- Commissions earned on the usage of the switching platform; and
- Maintenance fee and other support fees for one-off transactions.

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

- For mobile airtime sales, control of virtual airtime is transferred to the customer at the point where the customer's mobile line is credited with the corresponding value that was paid for by the customer.
- For other switching services, control is transferred to the customer at the point when a transaction is confirmed to the successful and monetary value has been exchanged from the initiator to the recipient/beneficiary.

3.3.1 Fee and commission income

The Company earns fee and commission income from a diverse range of payment and switching services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Company's revenue contracts do not include multiple performance obligations.

When the Company provides a service to its customers, consideration is generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time.

The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

3.3.2 Mobile airtime sales

The Company earns from the sales of virtual airtime to customers. The Company being an intermediary between the telecom companies and the end users, sells virtual airtime by crediting the customer's mobile line with a value corresponding to the amount that has been paid by the customer.

The Company recognises revenue at the point then the customer's mobile line is successfully credited with the value. It is also at this point that the control of the airtime is deemed to have been passed to the customer.

3.3.3 Interest Income

Under IFRS 9, interest income is recorded using the effective interest rate (EIR) method for all financial assets measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the asset or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3.4 Segment reporting

The Company's business segments are presented based on the information reported to the chief operating decision maker for resource allocation and performance assessment.

Segments	Mobile
	Other commissions
	Maintenance and support services, software development and others

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements

For the year ended 31 December 2024

3.5 Foreign currency translation

Foreign currency transactions that are denominated, or that require settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. If several exchange rates are available, the rate to be used is the rate at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

3.6 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.6.1 Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.6.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be used. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.7 Earnings per share

Earnings per share is calculated by dividing net income by the weighted average number of ordinary shares in issue during the period.

3.8 Employee Benefits

3.8.1 Defined Contribution Plans

Payments to defined contribution retirement benefit plans are recognised as an expense in the period in which employees have rendered services entitling them to the contributions. The percentage contribution by staff and employer are 8% and 10% respectively in line with Pensions Reform Act 2014.

3.8.2 Other employee benefits

Other short and long-term employee benefits, are recognised as an expense over the period in which they accrue.

3.8.3 Termination benefits

Terminal benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

3.9 Inventories

Inventory of Cards and SMS Printers are measured at the lower of cost and net realizable value using the First-In-First-Out (FIFO) Method. Net realizable value represents the estimated selling price for inventories less estimated cost to make the sale.

Airtime cost is valued at the cost of acquisition from the telecommunication operators.

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements

For the year ended 31 December 2024

3.10 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of self-constructed assets includes the costs of materials and direct labour. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on other assets is charged to the profit or loss using the straight-line method so as to write off the cost less their residual values over their estimated useful lives on the following basis:

	Useful Life (years)
Motor vehicles	5
Plant and machinery	5
Furniture, fittings and office equipment	5
Computer equipment and POS Devices	3

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss under other operating income.

3.11 Investment property

Investment properties comprise land held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties which comprise only land are measured at cost and are not depreciated. Gains and losses arising from disposal of investment properties 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.

3.12.1 Intangible assets acquired separately

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

Computer Software Costs

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the company and are expected to generate economic benefits exceeding costs beyond one year are recognised as intangible assets.

Expenditure which enhances or extends the performance of computer software programs beyond their original specifications are capitalised and added to the original cost of the software. Computer software development costs recognised as assets are amortized using the straight-line method over their expected useful lives.

eTranzact Enterprise Software

In 2011 and prior years, the Company's management had assessed the useful life of the original eTranzact enterprise software in line with that assessed at the start of its use, of 25 years. The carrying amounts of eTranzact enterprise software of N4.17m (31 December 2023: N15.91m) will be fully amortised in 5 months

eRemit Platform

In 2011 and prior years, the Company's management had assessed the useful life of the UK e-Remit Platform in line with that assessed at the start of its use, as 25 years. The carrying amounts of eRemit platform of N20.87m (31 December 2023: N25.10m) will be fully amortised in 4 years and 11 months

Other Software

Other softwares include SSL McAfee Data center Security suite (DAM) license, Mastercard Software, Afenoid, Infoprive, Microsoft software, Incognito etc. that are acquired for different purposes. They are being amortised using the straight-line method over their estimated useful lives, but not exceeding a period of three years.

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements

For the year ended 31 December 2024

3.12.2 Internally-generated intangible assets - Research and development expenditure

Research expenditure

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

Development expenditure

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

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

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

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3.12.3 Derecognition of intangible assets

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

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate independent cash flows from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements

For the year ended 31 December 2024

3.14 Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition, except for transaction costs relating to financial assets or financial liabilities at fair value through profit or loss, which are recognised immediately in profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

The Company only has financial asset measured at amortised cost which includes short term deposits, and trade receivables.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

3.14.1 Financial assets

Subsequent measurement

For purposes of subsequent measurement, the only category of financial assets the Company has is financial assets at amortised cost.

Financial assets at amortised cost

Financial assets at amortised cost which include cash and short-term deposits, are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Due to the short term nature of trade receivable, it is subsequently measured at invoice value less impairment.

Cash short-term deposits

Cash and cash equivalents are comprised of cash in bank and highly liquid short-term investments that are easily convertible into known amounts of cash and are subject to insignificant risks of changes in value with original maturity of three months or less. Specifically, the Company's cash and short-term deposits are categorised into the following categories:

Corporate cash: The company maintains corporate cash balances, which encompass funds available for general corporate use. These funds originate from sources including operating activities, financing activities and capital contributions. Corporate cash is utilised to fulfil the Company's ongoing operational needs, such as working capital requirements, and investment opportunities.

Merchant cash: The Company maintains merchant cash balances, which consist of funds generated from transactions with our merchants (customers). These funds are temporarily held pending disbursement to the respective merchants as per the terms of our transaction agreements. The balances of merchant cash undergo periodic reconciliation and settlement processes in line with our operational procedures and contractual obligations.

Restricted cash: The Company holds restricted cash balances that are not available for general use with bank partners. These funds are subject to various contractual agreements with the Company's partners.

Short-term deposits: The Company holds short-term deposits, which include funds placed in financial institutions with maturities ranging from a few days to one year. These deposits serve as a temporary investment of excess cash and are readily convertible into cash without significant loss of principal.

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements

For the year ended 31 December 2024

- **Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognises lifetime ECL for trade receivables. The expected credit losses on this financial asset are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3.14.1 Financial assets

- **Derecognition of financial assets**

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss.

3.14.2 Financial Liabilities

The only financial liability the Company has is financial liability at amortised cost (loans and borrowings).

- **Financial liabilities at amortised cost (loans and borrowings) including trade payables**

This is the category most relevant to the Company.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

- **Derecognition of financial liabilities**

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

3.15 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan is recognised and measured in accordance with IFRS 9 Financial Instruments. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. The benefit is recognised as income over the periods that the related costs, for which it is intended to compensate, are expensed. The Company consider the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the loan is intended to compensate.

Grants related to income are deducted in reporting the related expense.

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements

For the year ended 31 December 2024

3.16 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of buildings and space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of buildings that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

3.17 Cash Dividend

Dividends on ordinary shares are recognized and deducted from equity when they are approved by the Company's shareholders, while interim dividends are deducted from equity when they are paid. The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. According to the provisions of the Companies and Allied Matters Act, 2020, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

4.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see note 4.2 below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

4.1.1 Going Concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

4.2.1 Useful life of intangible assets

Intangible assets comprise mainly of the eTranzact Switching platform and the eRemit Remittance platform. As described in Note 3.12 to the financial statements, management is required to assess the remaining useful lives of intangibles assets at the end of each reporting period. Such assessment is subjective and involves a significant element of judgment, and the resultant estimate may or may not be borne out by future events. The effect on the financial statements of this assessment impacts the carrying value of intangible assets and profit for the year.

4.2.2 Allowance for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The loss rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

4.2.3 Recognition of Merchant Fund

The Company applies the Conceptual Framework for Financial Reporting (2018) for the recognition of Client/Merchant fund. The Client/Merchant funds are recognised when they meet the definition of an assets. The framework defines an asset as "a present economic resource controlled by the entity as a result of past events", with an economic resource being defined as "a right that has the potential to produce economic benefits".

Determining whether this definition is met requires a careful analysis of the contractual terms and conditions and economic substance of the arrangements for holding client money to determine whether the client money:

- is a resource controlled by the reporting entity
- confers a right that has the potential to produce economic benefits to the reporting entity.

If a client money arrangement results in recognising cash at a bank as an asset and an associated liability to a client, it will not be appropriate to offset those items in most circumstances.

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements For the year ended 31 December 2024

5 Revenue	Note	2024 N'000	2023 N'000
An analysis of the Company's revenue			
Mobile airtime sales	5.1	16,827,649	24,853,227
Other commissions		13,025,525	9,047,761
Maintenance and support services, software development and others		17,929	4,429
Remittance related income		25,387	-
		<u>29,896,490</u>	<u>33,905,417</u>
Breakdown of Revenue based on Licences			
		2024 N'000	2023 N'000
Switching		24,871,689	32,311,930
Payment Solution Service Provider (PSSP)		4,409,305	1,370,702
Mobile Money Operator		13,097	22,884
Value Added Services		602,398	199,901
		<u>29,896,490</u>	<u>33,905,417</u>
The revenue is further disaggregated based on the timing of revenue recognition as follow:			
Mobile airtime sales			
		2024 N'000	2023 N'000
Goods/Services transferred at a point in time		16,827,649	24,853,227
Services transferred over time		-	-
		<u>16,827,649</u>	<u>24,853,227</u>
Other commissions: these relate to commissions on provision of payment and collection services.			
		2024 N'000	2023 N'000
Goods/Services transferred at a point in time		13,025,525	9,047,761
Services transferred over time		-	-
		<u>13,025,525</u>	<u>9,047,761</u>
Remittance related income			
		2024 N'000	2023 N'000
Goods/Services transferred at a point in time		25,387	-
Services transferred over time		-	-
		<u>25,387</u>	<u>-</u>
Maintenance and support services, software development and others			
		2024 N'000	2023 N'000
Goods/Services transferred at a point in time		24,871,689	32,311,673
Services transferred over time		-	257
		<u>24,871,689</u>	<u>32,311,930</u>
5.1	Mobile Sales represent proceeds from virtual airtime and air pin sales.		
6 Cost of sales			
		2024 N'000	2023 N'000
Mobile airtime purchases		16,653,310	24,566,117
Direct commission cost		1,432,578	743,042
Other direct costs*		451,444	275,799
		<u>18,537,332</u>	<u>25,584,958</u>
*Other direct costs relates to licence and certification fee and amortisation of intangible assets.			
7 Selling and marketing			
		2024 N'000	2023 N'000
Branding/media advertisement		150,715	235,605
Marketing and promotion		273,381	32,697
		<u>424,096</u>	<u>268,302</u>
8 Administrative expenses			
		2024 N'000	2023 N'000
Employee and other related expenses	29.2	3,775,261	2,924,762
Other operating expenses	8.1	1,227,382	881,588
Depreciation of property, plant and equipment	15	658,799	503,785
Directors remunerations, fees and expenses	29.1	372,960	254,242
Legal and professional fees*		322,561	356,845
Audit fees		20,000	20,000
		<u>6,376,963</u>	<u>4,941,222</u>

* During the year, the Company's auditor, was engaged for a permissible non-audit service at a gross fee of N8million to provide limited assurance on the Internal Control over Financial Reporting (ICFR) for the year ended 31 December 2024 (2023: N8million).

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements For the year ended 31 December 2024

8.1 Other operating expenses

Other operating expenses represent travelling and accommodation cost, repairs and maintenance cost, rent & rate, office expenses, AGM expenses, supplies, statutory fee etc

8A Net impairment reversal	Note	2024 N'000	2023 N'000
Trade receivables	22.3	105,673	71,823
Other receivables	22.4	8,587	(61,330)
Short-term placements	23	-	11,053
Write-off of other debtors*		(10,408)	-
		<u>103,852</u>	<u>21,546</u>

*This relates to long-oustanding balance that has become irrecoverable.

9 Segment Reporting

9.1 Products and services from which reportable segments derive their revenues

Information reported to the entity's Chief Executive for the purposes of resource allocation and assessment of segment performance is focused on the category of products for each type of activity. The principal categories are pin sales, commissions, point of sales machines and maintenance and support services, software development and others. The entity's reportable segments under IFRS 8 are therefore as follows:

Segments	
	Mobile
	Other commissions
	Maintenance and support services, software development and others

9.2 Segment Revenue and results

	2024	
	Segment Revenue N'000	Segment Cost of sales N'000
Mobile purchases	16,827,649	(16,653,310)
Other commissions	13,025,525	(1,884,022)
Maintenance and support services, software development and others	43,316	-
	<u>29,896,490</u>	<u>(18,537,332)</u>

9.2 Segment Revenue and results

	2023	
	Segment Revenue N'000	Segment Cost of sales N'000
Mobile purchases	24,853,227	(24,566,117)
Other commissions	9,047,761	(1,018,841)
Maintenance and support services, software development and others	-	-
	<u>33,900,988</u>	<u>(25,584,958)</u>

There was no intersegment transaction as all revenue generated above was from external customers.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 3. Segment profit represents the gross profit earned by each segment without allocation of general operating expenses, other gains and losses recognised on investment income, other operating income as well as finance costs.

This is the measure reported to the Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment performance.

9.3 Business and geographical segments

The Company operates in one geographical area.

9.4 Segment assets and liabilities

All assets and liabilities are jointly used by the reportable segments.

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements For the year ended 31 December 2024

10 Net interest income

	2024 N'000	2023 N'000
Interest income:		
Bank deposits (calculated using Effective Interest Rate method)	<u>242,920</u>	<u>94,060</u>
Interest expense:		
Finance Expenses		
Interest expense on CBN's Shared Agent Network Expansion Facilities (SANEF) Loan calculated using Effective Interest Rate Method	35,876	55,467
Grant Income on long term loan	<u>(17,098)</u>	<u>(17,051)</u>
Net interest expenses	<u>18,778</u>	<u>38,416</u>

11 Other income

	2024 N'000	2023 N'000
Net realised foreign exchange gain on cash and cash equivalent	10,969	6,161
Gain on disposal of property, plant and equipment	-	2,187
	<u>10,969</u>	<u>8,348</u>

12 Profit for the year is arrived at after charging:

Directors' remuneration	372,960	254,242
Auditor's remuneration	20,000	20,000
Depreciation of property, plant and equipment	658,799	503,785
Amortisation of intangible assets	<u>26,400</u>	<u>43,930</u>
	<u>1,078,159</u>	<u>821,957</u>

13 Income tax

13.1 Income tax recognised in profit or loss

Current tax

Current income tax expense in respect of the current year:

Companies income tax	1,275,728	869,921
Education tax	166,544	116,613
NASENI Levy	12,243	7,990
National Information Technology Development Fund (NITDEF) Levy	48,971	-
Nigerian Police Trust Fund Levy	<u>245</u>	<u>160</u>
	1,503,731	994,684

Deferred tax

Deferred tax for current year (Note 19)

	-	-
Total income tax expense recognised	<u>1,503,731</u>	<u>994,684</u>

Corporate income tax is calculated at 30 per cent (2023: 30 per cent) of the estimated taxable profit for the year. The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21, LFN, 2004 as amended.

The charge for education tax of 3 per cent (2023: 3 per cent) is based on the provisions of the Education Tax Act, CAP E4, LFN, 2004.

Reconciliation of income tax expense for the year to the accounting profit as per profit or loss:

	2024 N'000	2023 N'000
Profit before income tax expense	<u>4,897,062</u>	<u>3,196,473</u>
Tax at the statutory corporation tax rate of 30% (2023: 30%)	1,469,119	958,942
Effect of:		
Impact of tax exempt income	(37,569)	(27,367)
Non-deductible expenses	233,893	23,423
Education tax	166,544	116,613
NASENI Levy (0.25% of Net Income)	12,243	7,990
Nigerian Police Trust Fund Levy (0.005% of Net Income)	245	160
National Information Technology Development Fund (NITDEF) Levy (1% of Profit before tax)	48,971	-
Utilisation of capital allowance	<u>(389,715)</u>	<u>(85,077)</u>
Income tax expense recognised in profit or loss	<u>1,503,731</u>	<u>994,684</u>

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements For the year ended 31 December 2024

13.2 Current income tax payable

At 1 January	1,113,348	542,387
Charged for the year	1,503,731	994,684
Payments during the year	(1,014,837)	(283,417)
Withholding tax credit notes utilised	-	(140,306)
At 31 December	1,602,242	1,113,348

14 Earnings per share

Earnings per share are calculated on the basis of profit after tax and the weighted average number of ordinary shares in issue and ranking for

	2024	2023
Profit attributable to ordinary shareholders N'000	3,393,332	2,201,789
Number of shares '000		
Weighted average number of ordinary shares	<u>9,200,000</u>	<u>9,200,000</u>
Earnings per share (Kobo) - Basic	37	24

The denominators for the purposes of calculating both basic and diluted earnings per share is based on the weighted average number of issued and paid ordinary shares of 50 kobo each.

15 Property, plant and equipment

	Motor vehicles	Plant and machinery	Furniture, fittings and office equipment	Computer equipment & POS devices	Total
	N'000	N'000	N'000	N'000	N'000
Cost					
At 1 January 2023	675,702	85,998	1,626,305	428,254	2,816,259
Additions	526,963	5,100	321,363	143,413	996,839
Disposals	(25,500)	(5,194)	(21,072)	(1,323)	(53,089)
At 31 December 2023	1,177,165	85,904	1,926,596	570,345	3,760,009
Additions	436,000	-	463,236	804,261	1,703,497
Write off	(232,952)	(29,441)	(746,850)	(215,629)	(1,224,872)
At 31 December 2024	1,380,213	56,463	1,642,982	1,158,977	4,238,634
Accumulated depreciation					
At 1 January 2023	473,292	75,064	1,005,544	269,612	1,823,512
Charge for the year	161,387	3,702	212,660	126,036	503,785
Disposals	(23,375)	(5,194)	(21,072)	(1,323)	(50,964)
At 31 December 2023	611,304	73,572	1,197,131	394,325	2,276,333
Charge for the year	223,859	4,207	260,691	170,042	658,799
Write off	(232,952)	(29,441)	(746,850)	(215,629)	(1,224,872)
At 31 December 2024	602,211	48,338	710,972	348,737	1,710,260
Carrying amount					
At 31 December 2024	778,002	8,125	932,010	810,240	2,528,374
At 31 December 2023	565,861	12,332	729,465	176,020	1,483,676

15.1 Impairment losses recognised in the year

There were no impairment losses recognised during the year (2023: Nil).

15.2 Contractual commitments

At 31 December 2024, the Company had no contractual commitments for the acquisition of property, plant and equipment (2023: Nil).

15.3 Assets pledged as security

At 31 December 2024, the Company had none of its assets pledged as security (31 December 2023: Nil).

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements For the year ended 31 December 2024

16 Investment property

	31/12/2024	31/12/2023
Land	N'000	N'000
At 1 January	136,810	136,810
Disposals	-	-
At 31 December	<u>136,810</u>	<u>136,810</u>

The Company's investment property is held under leasehold interest (the certificate of occupancy is subject to renewal every 99 years in line with the Lagos State Land Use Act). The property is located in Victoria Garden City. The land/property falls under the definition of an investment property as it is being held for undetermined future use.

Investment property is recognised at cost in the books and subsequently tested for impairment. The valuation was done as at 31 December 2024 by Knight Frank Estate Surveyors & Valuers with firm FRC number FRC/2013/00000000584. The valuation report was signed by ESV Sunny Akpodiagaga with FRC number FRC/2013/PRO/NIESV/004/00000000655.

The fair value of the property as at 31 December 2024 was estimated at N566.5m (2023: N393m). The fair value has been determined by the management of the Company by reference to professional valuation and market evidence of transaction prices for similar properties in comparable areas.

At 31 December 2024, the carrying value of the investment property was N136.8m (2023: N136.8m).

17 Intangible assets

	eTranzact enterprise platform	eRemit platform	Other softwares	Total
	N'000	N'000	N'000	N'000
Cost				
At 1 January 2023	293,510	105,858	303,949	703,317
Additions for the year	-	-	-	-
At 31 December 2023	293,510	105,858	303,949	703,317
Additions for the year	-	-	-	-
Write-off	-	-	(249,290)	(249,290)
At 31 December 2024	293,510	105,858	54,659	454,027
Accumulated amortisation				
At 1 January 2023	265,863	76,520	265,366	607,749
Charge for the year	11,740	4,234	27,956	43,930
At 31 December 2023	277,603	80,754	293,322	651,679
Charge for the year	11,740	4,234	10,425	26,400
Write-off	-	-	(249,290)	(249,290)
At 31 December 2024	289,343	84,988	54,458	428,789
Carrying amount				
At 31 December 2024	4,167	20,870	202	25,238
At 31 December 2023	15,907	25,104	10,627	51,638

At 31 December 2024, the Company had no contractual commitments for the acquisition of intangible assets. The Company had none of its assets pledged as security.

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements For the year ended 31 December 2024

18 Deposit for shares

	31/12/2024 N'000	31/12/2023 N'000
As at year end	<u>456,755</u>	<u>456,755</u>

Deposit for shares represents investment in Collendos Nigeria Limited, the SPV warehousing all the contributions of the current tenants of the Fortune Towers building that agreed to come together as owners of the Fortune Towers office complex building. Collendos Limited will invest all monies collected from the tenants into Cowrie Investments Limited, the owner of the Fortune Towers building. All investors in Collendos Limited will be part owners of the Fortune Towers building and will own equity as a percentage of the floor space acquired/paid for. In 2012, eTranzact made its first contribution to Collendos to the tune of N232m which represents 50% of the total value for the 2 floors it currently occupies. During the year ended 31 December 2016, the board approved that the Company acquire additional 3 floors of office space which will be represented by increase in the investment in Collendos. The amount of N675m paid out in 2016 as additions represents the 50% balance on the initial 2 floors purchased in 2012 and the 100% payment for the additional 3 floors acquired in 2016. Collendos made a refund of N450 million to the Company in 2018, pending the time the litigation involving Cowrie Investments Limited (owner of the Fortune Towers building) will be decided by the court of law. The N450 million will be repaid by eTranzact International Plc subject to the outcome of the court case. As a result the net balance paid as at 31 December 2024 is N457 million (2023:N457million). The refund of N450 million does not connote the loss of ownership or entitlement to any of the floors currently held. eTranzact still maintain a right of first offer to the floors and the refund was only made because Collendos has been investing the deposit as they are unable to finalize acquisition due to the litigation involving Cowrie Investments Limited.

19 Deferred tax

	31/12/2024 N'000	31/12/2023 N'000
Deferred tax	<u>-</u>	<u>-</u>

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The Company did not have net deferred tax assets that were recognized during the year.

19.1

	31/12/2024		31/12/2023	
	Gross	Deferred tax impact	Gross	Deferred tax impact
<i>Unrecognised deferred tax assets</i>				
Property, plant and equipment	(1,557,859)	(514,093)	(540,411)	(178,336)
Impairment allowance for fraud asset	3,821,102	1,260,964	3,821,102	1,260,964
Impairment allowance	574,448	189,568	688,708	227,274
	<u>2,837,691</u>	<u>936,438</u>	<u>3,969,399</u>	<u>1,309,902</u>

Deferred tax assets have not been recognised in respect of the above deductible temporary difference as it is not probable that the related deferred tax assets will be recovered in the near future and there are no other tax planning opportunities or other evidence of recoverability in the near future. The Company did not have net deferred tax assets that were recognized during the year.

20 Other assets

	Note	31/12/2024 N'000	31/12/2023 N'000
Advance payment and prepayments	20.1	5,439,870	3,601,351
Fraud assets	20.2	3,821,102	3,821,102
Other assets	20.3	84,259	84,259
		<u>9,345,231</u>	<u>7,506,712</u>
Impairment allowance for other assets		(84,259)	(84,259)
Impairment allowance for fraud assets		<u>(3,821,102)</u>	<u>(3,821,102)</u>
		<u>5,439,870</u>	<u>3,601,351</u>
Impairment allowance for other assets			
Balance at 1 January		84,259	84,259
Charge to profit or loss	8A	-	-
Balance at 31 December		<u>84,259</u>	<u>84,259</u>
Impairment allowance for fraud assets			
Balance at 1 January		3,821,102	3,821,102
Charge to profit or loss	8A	-	-
Balance at 31 December		<u>3,821,102</u>	<u>3,821,102</u>

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements For the year ended 31 December 2024

20 Other assets - Continued

Prepayments relate to prepaid insurance - N63.4 million (2023: N38.1 million), prepaid rent* (short-term lease) - N62.8 million (2023: N9.8 million), other prepayments** - N418.7 million (2023: N199.6 million), and advance payment for SmartVista Switching Platform - N4.90 billion (2023: N3.35 billion).

20.2 Fraud assets relates to the balance of the total value of assets that is expected to be recovered from Smart Micro Systems Limited as settlement of the liability to First Bank of Nigeria for fraudulent transactions. The balance of N3.82 billion is highly unlikely to be recovered from Smart Micro Systems Limited, hence the full provision for the fraud asset.

20.3 N84million out of the total other assets balance represents amounts recoverable from the banks on unauthorized withdrawals on the reloadable customers float account in various banks, which were initially refunded by eTranzact pending the outcome of investigations into the cases. The amounts are yet to be recovered from the banks and full provision was made against the amounts.

* The Company prepays rent only for 12 months in advance and has elected to account for this as a short-term lease under IFRS 16.

Other prepayments relate to the balance of prepayment for renewal of service and support for bandwidth and network - NGN 178.45 million (2023 - N109million), prepayment for renewal of licenses and certifications - N180.53 million (2023 - N52.84 million), prepayment for scheduled generator maintenance - NGN 0.53 million (2023 - Nil), prepayment for billboard slot - NGN 10.83 million (2023 - NGN 9.52 million).

21 Inventories	31/12/2024	31/12/2023
	N'000	N'000
Virtual airtime	2,205,911	2,173,384
Prepaid electricity utility stock	-	123,330
	<u>2,205,911</u>	<u>2,296,714</u>

The cost of inventories recognised as an expense during the year in respect of continuing operations was N16.65b (2023: N24.57b). The N16.65billion represents the total cost of virtual airtime and pins that were sold during the year.

22 Trade and other receivables	Note	31/12/2024	31/12/2023
		N'000	N'000
Trade receivables	22.2	557,744	578,369
Impairment allowance based on loss rate	22.3	<u>(360,699)</u>	<u>(466,372)</u>
		197,045	111,997
Other receivables			
Staff salary advances		153,905	216,041
Other debtors	22.1	333,731	290,367
Impairment allowance on other receivables	22.4	<u>(129,490)</u>	<u>(138,077)</u>
		358,146	368,331
		<u>555,191</u>	<u>480,328</u>

22.1 Other debtors

Withholding tax receivable	141,004	86,492
Back end air-time incentives	75,000	70,000
Fraud recoveries	76,536	77,536
Collateral Deposit for Mastercard Payment Gateway	40,550	40,550
Pending settlements	-	8,818
Refunds	641	6,971
	<u>333,731</u>	<u>290,367</u>

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

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Notes to the financial statements For the year ended 31 December 2024

22.2 Trade receivables

As part of the Company's function as a transaction switching platform, the Company processes transactions on behalf of partner banks and partner merchants and as such the Company settles transaction value and transaction income to banks and merchants on a daily basis for services routed through the platform. On a periodic basis the Company will evaluate partner banks and partner merchants whose outstanding receivables are long overdue and will take the necessary steps to recover all outstanding balances due to the Company by withholding transaction income that should be settled to them up to the amount the Company is owed. This helps management recover outstanding balances.

Before accepting any new customer, the Company uses an internal credit process to assess the potential customer's credit quality and defines credit limits by customer.

The following table details the risk profile of trade receivables based on the entity's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the entity's different customer segments.

2024	Expected Credit Loss Rate	Gross carrying amount at default (N'000)	Adjusted Balance (N'000)	Expected Credit Loss (Average Weighted based on Scenarios) (N'000)
0-180 days	16%	235,254	235,254	38,209
180-365 days	94%	-	-	-
> 365 days	100%	322,490	322,490	322,490
Total		557,744	557,744	360,699

The lower loss rate was due to improvement in the repayment pattern during the year.

2023	Expected Credit Loss Rate	Gross carrying amount at default (N'000)	Adjusted Balance (N'000)	Expected Credit Loss (Average Weighted based on Scenarios) (N'000)
0-180 days	37%	160,583	160,583	58,932
180-365 days	86%	73,703	73,703	63,357
> 365 days	100%	344,083	344,083	344,083
Total		578,369	578,369	466,372

22.3 Reconciliation of allowance for trade receivables

	31/12/2024 N'000	31/12/2023 N'000
At 1 January	466,372	538,195
Impairment reversal recognised (Note 8A)	(105,673)	(71,823)
At 31 December	360,699	466,372

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised a loss allowance of 100% against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

There was improvement in the repayment pattern. Hence, the reversal of impairment allowance on trade receivables.

22.4 Impairment allowance on other receivables

	31/12/2024 N'000	31/12/2023 N'000
At 1 January	138,077	76,747
Impairment (reversal)/charge during the year	(8,587)	61,330
At 31 December	129,490	138,077

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Notes to the financial statements

For the year ended 31 December 2024

23 Cash and short term deposits

For the purposes of the statement of cash flows, Cash and cash equivalents include cash on hand and in banks, short term investments with an original maturity of three months or less, net of outstanding bank overdrafts. Cash and short term deposits at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	Note	31/12/2024 N'000	31/12/2023 N'000
Cash and bank balances		3,445,392	2,604,728
Restricted Cash (Pocketmoni Schemes, GTB TSS and Holding/Settlement bank accounts)	23.2	6,823,154	15,104,847
Short term investments		2,384,076	1,987,832
		12,652,622	19,697,407
Impairment allowance		(140)	(140)
		<u>12,652,482</u>	<u>19,697,267</u>
Impairment allowance on short-term deposits			
At 1 January		140	11,193
Impairment reversal recognised	8A	-	(11,053)
At 31 December		<u>140</u>	<u>140</u>

Cash and cash equivalents

For the purpose of the statement of cash flows. The balance in this will consist of the following:

Cash and short term deposits per statement of financial position		12,652,482	19,697,267
<i>Less:</i>			
Restricted Cash		(6,823,154)	(15,104,847)
Short term investments with maturity longer than 3 months (net of impairment)		(2,220,323)	(1,833,833)
		<u>3,609,005</u>	<u>2,758,587</u>

Analysis of cash and cash equivalents

Cash and bank balances		3,445,392	2,604,728
Short term investment (within 3 months maturity from the initial origination) (Note 23.1)		163,613	153,859
		<u>3,609,005</u>	<u>2,758,587</u>
Short term investments with maturity longer than 3 months (gross of impairment)		<u>2,220,463</u>	<u>1,833,973</u>

The carrying amount of these assets is approximately equal to their fair value.

23.1 Short term investments

These represents cash held in fixed deposits in various banks. These investments are placed in short-term deposits and are continuously rolled over throughout the year. All short-term deposits are subject to an average variable interest rate of 8.5% per annum (2023: 6%).

23.2 Restricted Cash (Pocketmoni Schemes, GTB TSS and Holding/Settlement account)

Restricted Cash represents the balance of Pocketmoni schemes and Access Bank card schemes. Funds held for Pocketmoni Schemes represent the balance of Pocketmoni schemes and Access Bank card schemes. The balances (which is the total of individual card-holder balance) resides in the Zenith Bank Pocketmoni account and Access Bank account as restricted funds. Restricted Cash also consists of the balance of the GTB Transaction Settlement Suspense (TSS) account which is funded by the Company for the purpose of transactions to GTB.

The holding bank accounts represent fund met for merchants which are yet to be utilised by merchant and/or settled by the Company as at year end.

24 Trade and other payables

	Note	31/12/2024 N'000	31/12/2023 N'000
Financial liabilities:			
Trade payable	24.1	205,078	158,874
Accruals	24.5	534,988	397,927
Due to Related Parties		-	672
Funds held for Pocketmoni Schemes	24.4	2,071,349	2,204,852
Fund held in settlement & holding accounts	24.7	3,086,422	7,829,555
Other payables	24.3	223,348	3,807,012
Other creditors	24.6	147,996	171,057
		<u>6,269,181</u>	<u>14,569,949</u>
Non-financial liabilities:			
Pension contribution	24.8	97,621	59,112
Other statutory payables	24.2	893,528	638,194
		<u>991,149</u>	<u>697,306</u>
		<u>7,260,330</u>	<u>15,267,255</u>

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements For the year ended 31 December 2024

24 Trade and other payables - Continued

- 24.1** Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 7 days. The bulk of the trade payable balance relates to credit order/purchase of airtime, which was settled within the first week of the subsequent year. The Company has financial risk management policies in place as well as efficient and effective treasury management policies to ensure that all payables are paid within the pre-agreed credit terms.
- 24.2** Included in other statutory payables is an amount of about N549.2m (2023: N362.3m) which represents VAT payable. This amounts are withheld from proceeds from sales to third parties and commissions earned on switching transactions performed on the platform. The balance also includes N255m (2023: N211m) which represents PAYE payable, N18.2m (2023: N18.2m) which represents Withholding Tax Payable and N71.1m (2023: N46.57m) which represents National Housing Fund (NHF) Payable.
- 24.3** Other payables is made up of unutilized third party float balances temporarily used by the Company to fund the Transaction Settlement Suspense (TSS) shortfall usually experienced during the end of year holidays. These balances are refunded in the new-year once the banks open and transactions that occurred during end of year holiday period are settled.
- 24.4** Funds held for Pocketmoni Schemes represent the balance of Pocketmoni schemes and Access Bank card schemes. The balances (which is the total of individual card-holder balance) resides in the Zenith Bank Pocketmoni account and Access Bank account as restricted funds.
- 24.5** Accruals relate to provisions for bandwidth and networks cost, licenses and certifications cost, office rent, audit fees, Industrial Training Fund Levy and other overhead costs.
- 24.6** Other creditors relate to unclaimed dividends returned to the Company, withheld commissions and commissions due to merchants and other third
The directors consider that the carrying amount of trade and other payables approximates to their fair value.
- 24.7** This represent funds held in the holding/settlement bank accounts as at year end which are in-transit accounts and the amount is expected to be zero once settlement is completed to the merchants. The corresponding bank balances are included in the restricted bank balance.

24.8 Pension contribution	Note	31/12/2024	31/12/2023
		N'000	N'000
At 1 January		59,112	70,925
Contributions during the year		277,740	216,558
Payment		(239,231)	(228,371)
		97,621	59,112
25 Long term borrowing		31/12/2024	31/12/2023
		N'000	N'000
Balance as at 1 January		272,975	320,451
Interest accrual		35,876	55,466
Principal paid		(71,429)	(71,429)
Interest paid		(26,558)	(31,513)
Balance as at 31 December		210,864	272,975
Current		71,429	71,429
Non-Current		139,435	201,546
		210,864	272,975
25.1 Deferred grant income			
Balance as at 1 January		73,345	90,396
Recognised in the profit or loss during the year	10	(17,098)	(17,051)
Balance as at 31 December		56,247	73,345
Current		17,051	17,051
Non-Current		39,196	56,293
		56,247	73,345

The loan of N500 million represents the first tranche of N150 million, second tranche of N250 million and the third tranche of N100 million under the CBN's Shared Agent Network Expansion Facility. The loan is to fund the expansion of Shared Agent Networks across Nigeria in order to deepen financial inclusion in Nigeria. The loan was fair valued using the effective interest rate and a deferred grant income was recognised as a result of the actual interest rate on the loan of 5% being lower than the effective interest rate (EIR) of 16.65%, 15.4% and 11.21% on the first tranche (N150 million), second tranche (N250 million) third tranche (N100 million) respectively. The loan has a tenor of 10 years (inclusive of 2 years principal moratorium and 1 year interest moratorium) with maturity till April 2028. The Company did not pledge any of its assets in securing the loan.

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26 Share capital and Share premium	31/12/2024	31/12/2023
	N'000	N'000
26.1 Issued and fully paid:		
9,199,999,815 ordinary shares of 50k each (2024)		
9,199,999,815 ordinary shares of 50k each (2023)		
At 1 January	4,600,000	4,600,000
At 31 December	<u>4,600,000</u>	<u>4,600,000</u>
26.2 Share premium	31/12/2024	31/12/2023
	N'000	N'000
At 1 January	7,374,271	7,374,271
At 31 December	<u>7,374,271</u>	<u>7,374,271</u>
Share premium is the excess paid by shareholders over the nominal value for their shares.		
27 Retained earnings/(Accumulated losses)	31/12/2024	31/12/2023
	N'000	N'000
At 1 January	(496,655)	(2,698,444)
Profit for the year	<u>3,393,332</u>	<u>2,201,789</u>
At 31 December	<u>2,896,677</u>	<u>(496,655)</u>

Accumulated losses represent the cumulative amount of net losses incurred by the Company since its inception that have not been offset by profits or other income.

28 Retirement benefits plan

Defined Contribution Plan

The Company operates a contributory pension scheme for the benefit of its staff with the Company and employees contributing 10% and 8% respectively from employees' emoluments.

The total expense recognised in the profit or loss of N175.3m (2023: N135.8m) represents contributions payable to these plans by the Company at rates specified in the rules of the plan. As at 31 December 2024, contributions of N97.6m (2023: N59.1) due in respect of employees that are yet to provide their Pension Identification Number (PIN) and contributions for the last two months of the year.

29 Directors and employees

29.1 Directors	2024	2023
	N'000	N'000
Emoluments:		
Fees	12,250	12,250
Other remuneration and allowances	<u>360,710</u>	<u>241,992</u>
	<u>372,960</u>	<u>254,242</u>

The number of Directors whose gross emoluments were within the following ranges are:

Range (N)	Number	Number
Less than 1,000,000	-	-
1,000,001 - 2,000,000	-	-
2,000,001 - 5,000,000	9	9
5,000,001 - 20,000,000	-	-
20,000,001 and above	<u>3</u>	<u>2</u>
	<u>12</u>	<u>11</u>

The Chairman's emolument for the period was N2.0m. (2023: N1.6m)

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Notes to the financial statements For the year ended 31 December 2024

29 Directors and employees - continued

29.2 Employees

The average number of employees employed during the year:

	Number	Number
Technical	164	143
Non-Technical	189	180
	<u>353</u>	<u>323</u>
Aggregate payroll costs	N'000	N'000
Wages, salaries, allowances and benefits	3,166,456	2,457,191
Performance bonus	257,740	168,236
Pension costs	175,331	135,789
Staff training	175,734	163,547
	<u>3,775,261</u>	<u>2,924,762</u>

The number of highest paid employees with gross emoluments within the ranges below were:

Range (N)	Number	Number
Up to 500,000	-	-
500,001 - 2,000,000	26	53
2,000,001 - 3,000,000	38	49
3,000,001 and above	289	221
	<u>353</u>	<u>323</u>

30 Cash generated from operations

Reconciliation of profit after tax to net cash generated by operating activities:

	Note	31/12/2024 N'000	31/12/2023 N'000
Profit before income tax expense		4,897,062	3,196,473
Adjustments for:			
Amortization of intangible assets	17	26,400	43,930
Depreciation of property, plant and equipment	15	658,799	503,785
Interest income	10	(242,920)	(94,060)
Write-off of other debtors	8A	10,408	-
Gain on disposal of property, plant and equipment	11	-	(2,187)
Grant income on long-term borrowing	25.1	(17,098)	(17,051)
Impairment (reversal)/charge on other receivables	8A	(8,587)	61,330
Impairment reversal on trade receivables	8A	(105,673)	(71,823)
Impairment reversal on short-term placements	8A	-	(11,053)
Interest expense	10	35,876	55,467
Operating cash flows before movements in working capital		<u>5,254,267</u>	<u>3,664,811</u>
Decrease in inventories		90,803	789,843
Decrease in trade and other receivables		28,989	61,103
Increase in other assets		(1,838,519)	(756,738)
Decrease/(increase) in restricted cash balance		8,281,693	(6,629,063)
(Decrease)/Increase in trade and other payables		(8,006,925)	5,720,098
Cash generated from operations		<u>3,810,308</u>	<u>2,850,054</u>
Income taxes paid		(1,014,837)	(283,417)
		<u>2,795,471</u>	<u>2,566,637</u>

Non-cash transactions

There were no non-cash transactions during the year ended 31 December 2024 (2023: Nil).

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Notes to the financial statements For the year ended 31 December 2024

31 Related party transactions

Details of transactions and outstanding balances between the Company and its related parties during the year are disclosed below:

Access Bank has a significant interest of 37.56% (2023: Access Bank - 37.56%) in the equity of eTranzact International Plc as at the reporting date.

Trading transactions

The Company entered into transactions with its related parties during the year and transactions conducted resulted to the balances analysed below:

	Sale of goods and services		Purchase of goods and services	
	31/12/2024 N'000	31/12/2023 N'000	31/12/2024 N'000	31/12/2023 N'000
Meristem Securities	-	-	3,446	3,071
	<u>-</u>	<u>-</u>	<u>3,446</u>	<u>3,071</u>

Analysis of the outstanding balances at the reporting date:

	Due from related parties		Due to related parties	
	31/12/2024 N'000	31/12/2023 N'000	31/12/2024 N'000	31/12/2023 N'000
Meristem Securities	-	-	-	672
	<u>-</u>	<u>-</u>	<u>-</u>	<u>672</u>

Sales of goods to related parties are made at the Company's usual list prices which is the fair value of goods sold. Purchases are made at market price.

32 Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	31/12/2024 N'000	31/12/2023 N'000
Short-term employee benefits	171,567	124,206
Post-employment benefits	10,294	7,452
	<u>181,861</u>	<u>131,659</u>

33 Loans to directors

The directors held no loans as at 31 December 2024 (2023: Nil).

34 Financial instruments

34.1 Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation equity. The Company's overall strategy which emphasizes capital efficiency and optimisation of capital structure, remains unchanged from 2023.

The capital structure of the Company consists of equity attributable to equity holders of the Company, comprising issued and paid-up capital, and retained earnings.

Equity includes all capital and reserves of the Company that are managed as capital.

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Notes to the financial statements For the year ended 31 December 2024

34.2 Categories of financial instruments	31/12/2024 N'000	31/12/2023 N'000
Financial assets		
Financial assets measured at amortised cost		
<i>Cash and bank balances</i>	12,652,482	19,697,267
<i>Trade and other receivables</i>	339,187	313,828
	<u>12,991,669</u>	<u>20,011,095</u>
Financial liabilities		
Financial liabilities at amortized cost		
<i>Trade and other payables</i>	6,269,181	14,569,949
<i>Long-term loans</i>	210,863	272,976
	<u>6,480,044</u>	<u>14,842,925</u>

34.3 Financial risk management objectives

A financial risk management framework is in place, where appropriate, to mitigate any negative impact that financial risks that may arise will have on the Company's reported results.

The Company's senior management oversees the management of risks to ensure that financial risks are identified, measured and managed in accordance with Company's policies for risk.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

The Company does not trade in financial instruments, nor does it take on speculative or open positions through the use of derivatives.

34.4 Market risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the Company that are affected by market risk are principally the non-derivative financial instruments which include investment in equity, trade and other receivables, cash and cash equivalents and trade and other payables.

34.4.1 Interest rate risks

eTranzact Company does not have debt financial instruments that attracts or on which it pays floating interest rates. The Company has cash and cash equivalents held as deposits with banks. They are readily accessible and receive fixed rate interest. The Company actively monitors interest rate exposures on its investment portfolio so as to minimise the effect of interest rate fluctuations on profit or loss.

34.4.2 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

	Liabilities		Assets	
	31/12/2024 N'000	31/12/2023 N'000	31/12/2024 N'000	31/12/2023 N'000
USD (included as part of cash and short term deposits)	-	-	30,397	11,766

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency of USD.

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

	Liabilities	
	31/12/2024 N'000	31/12/2023 N'000
Impact on pre-tax profit if Naira weakens	(3,040)	(1,177)
Impact on pre-tax profit if Naira strengthens	3,040	1,177

This is mainly attributable to the exposure outstanding on USD balances held in banks at the end of the reporting period.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year. USD denominated balances usually fluctuate during the year.

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Notes to the financial statements For the year ended 31 December 2024

34.5 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

The Company does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

The credit risk on liquid funds and non-derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets represents the Company's maximum exposure, which at the reporting date, was as follows:

	31/12/2024 N'000	31/12/2023 N'000
Cash and short term deposits	12,652,482	19,697,267
Trade and other receivables	1,045,380	1,084,777
	<u>13,697,862</u>	<u>20,782,044</u>

34.6.1 Collateral held as security and other credit enhancements

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk as no collateral or other credit enhancements are held.

34.7 Liquidity risk management

Liquidity risk is the risk that the company is unable to meet its current and future cash flow obligations as and when they fall due, or can only do so at excessive cost. This includes the risk that the Company is unable to meet settlement obligations to the acquiring banks due to failure of an issuing bank to pay.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

To mitigate this risk, back-up liquidity facilities are in place with a syndicate consisting of high credit, quality financial institutions, in addition to the company's own liquid investments.

34.7.1 Maturity risk

The following tables show the Company's contractual maturities of financial liabilities and financial assets:

N'000	31/12/2024			
	Carrying amount	Contractual cashflows	Less than one year	More than one year
Financial liabilities at amortised cost				
Trade and other payables	6,269,181	6,269,181	6,269,181	-
Long-term borrowing	210,864	290,053	90,564	199,489
	<u>6,480,045</u>	<u>6,559,234</u>	<u>6,359,745</u>	<u>199,489</u>
Financial assets at amortised cost				
Trade receivables	197,045	197,045	197,045	-
Cash and short term deposits	12,652,482	12,652,482	12,652,482	-
	<u>12,849,527</u>	<u>12,849,527</u>	<u>12,849,527</u>	<u>-</u>
Liquidity surplus/(gap)	<u>6,369,482</u>	<u>6,290,293</u>	<u>6,489,782</u>	<u>(199,489)</u>

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements For the year ended 31 December 2024

34.7.1 Maturity risk

N'000	31/12/2023			
	Carrying amount	Contractual cashflows	Less than one year	More than one year
Financial liabilities at amortised cost				
Trade and other payables	14,569,949	14,569,949	14,569,949	-
Long-term borrowing	272,975	359,624	161,162	198,462
	14,842,924	14,929,573	14,731,111	198,462
Financial assets at amortised cost				
Trade receivables	111,997	111,997	111,997	-
Cash and short term deposits	19,697,267	19,697,267	19,697,267	-
	19,809,264	19,809,264	19,809,264	-
Liquidity surplus/(gap)	4,966,340	4,879,691	5,078,153	(198,462)

Financial liabilities that can be repaid at any time have been assigned to the earliest possible time period. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

34.8 Fair value disclosure

The directors consider that the carrying amounts of financial assets (trade and other receivables, cash and short term deposits and Deposit for shares) and financial liabilities (trade and other payables) recorded in the financial statements approximate their fair values.

N'000	Carrying amount		Fair value	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Financial liabilities				
<i>Financial liabilities held at amortised cost:</i>				
Long-term borrowing	210,863	272,976	225,852	276,165

Disclosures of fair value are not required for short term financial instruments because their carrying amount approximates the fair value.

Fair value of non financial assets

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Fair value measurement hierarchy for assets as at 31 December 2024:

N'000	Date of valuation	Quoted prices in active markets		Significant observable inputs	Significant unobservable inputs
		Level 1	Level 2	Level 2	Level 3
Investment property:					
Land	31-Dec-24	-	-	-	566,506
Land	31-Dec-23	-	-	-	393,000
Item whose fair value disclosure is required					
Long-term borrowing	31-Dec-24	-	225,852	-	-
Long-term borrowing	31-Dec-23	-	276,165	-	-

Valuation Methodology

Long-term borrowing

The fair values of the long-term borrowing are based on cash flows discounted using a rate based equals the prime lending rate as set by the Central Bank of Nigeria at the reporting dates.

Investment property

Fair value of the investment property was determined using the direct market comparison method. The valuations have been performed by the valuer and are based on prices paid in actual market transactions for similar properties with unit sale prices of comparables adjusted to the characteristics of the subject property.

Significant unobservable valuation input:

Price per square metre $\text{₦}332,689 - \text{₦}401,669$ (2023: $\text{₦}230,795 - \text{₦}278,662$)

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value on a linear

There were no transfers between levels during 2024 (2023: Nil).

The fair values of the Company's interest-bearing loans and borrowings are determined by using the Discounted Cash Flow (DCF) method using discount rate equals the prime lending rate as set by the Central Bank of Nigeria at the reporting dates.

eTRANZACT INTERNATIONAL PLC

Notes to the financial statements For the year ended 31 December 2024

35 Capital Commitments

There were no capital commitments during the year (2023: Nil).

36 Contingent liabilities and contingent assets

The Company, in its ordinary course of business, is involved in 2 legal actions (2023: 2 legal case) amounting to a total of N7.5million as at 31 December 2024 (2023: N7.5million).

In the 2012 financial year, eTranzact International Plc initiated the process of acquiring shares in Collendos Limited, a company with significant investment in Cowrie Business Solution Limited, which owns Fortune Towers. eTranzact has committed to acquiring a total investment to the tune of N907 million, that will give it the direct control of the ground floor, 1st, 4th and 5th floor of Fortune Towers. As at 2017, eTranzact International Plc has made full payments to the tune of N907 million. In 2018, Collendos made a refund of N450 million to the Company (out of the total deposit which Collendos is holding in an interest bearing account pending the court judgement). The N450 million will be repaid by eTranzact International Plc based on the outcome of the court judgement. As at date of this report, the sale of the Fortune Towers building is under litigation. The outcome of the litigation has a possibility of resulting in a contingent liability in the form of legal costs and relative additional acquisition cost for the 4th and 5th floor of Fortune Towers. As at date of this report, the value of any contingent liability in this respect cannot be estimated.

Linked with the documented agreements between the existing occupants of Fortune Towers and Cowrie Business Solutions Limited, the current owners of Fortune Towers, there is a commitment that no liability for rent (or arrears of rent) will be sought from the existing occupants. Hence, although such rental liability is theoretically possible, the directors have made a provision in the books to cover annual rental expense for the floors it occupies.

37 Contraventions and penalties

eTranzact International Plc strives to adhere to all regulatory requirements. However, during the reporting period, the following regulatory fine was levied by the NGX.

Details of contravention	Penalty amount	Regulatory body
Late submission of 2023 AFS	700,000	NGX Regulation Limited

38 Events after the reporting period

There is no other events after the reporting date that could have material effect on the state of affairs of the Company at 31 December 2024 and on the profit or loss and other comprehensive income for the year then ended that have not been taken into account or disclosure in these financial

Approval of financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 27 March 2025.

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Other National Disclosures: Statement of value added For the year ended 31 December 2024

	2024		2023	
	N'000	%	N'000	%
Turnover	29,896,490		33,905,417	
Investment income	242,920		94,060	
Other gains and losses	10,969		8,348	
	<u>30,150,379</u>		<u>34,007,825</u>	
Bought in materials and services:				
- Local	<u>(20,877,931)</u>		<u>(27,322,005)</u>	
VALUE ADDED	<u>9,272,448</u>	<u>100</u>	<u>6,685,820</u>	<u>100</u>
APPLIED AS FOLLOWS:				
To pay employees -				
Wages, salaries and other benefits	3,775,261	41	2,924,762	44
To pay government -				
Income tax expense	1,503,730	16	994,684	15
To provide for assets replacement, payment of dividend and future expansion:				
Payment of Interest	18,778	0	38,416	1
Depreciation of property, plant and equipment	658,799	7	503,785	8
Impairment allowance reversal of receivable	(103,852)	(1)	(21,546)	(0)
Amortisation of intangible assets	26,400	0	43,930	1
Profit for the year	<u>3,393,332</u>	37	<u>2,201,789</u>	33
	<u>9,272,448</u>	<u>100</u>	<u>6,685,820</u>	<u>100</u>

Value added statement 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 between the employees, government and that retained for the future creation of more wealth.

eTRANZACT INTERNATIONAL PLC

Other National Disclosures: Five-year financial summary For the year ended 31 December 2024

	2024 N'000	2023 N'000	Restated 2022 N'000	Restated 2021 N'000	2020 N'000
FINANCIAL POSITION					
Assets					
Property, plant and equipment	2,528,374	1,483,676	992,747	789,103	673,505
Investment property	136,810	136,810	136,810	136,810	302,226
Intangible assets	25,238	51,638	95,568	149,280	163,752
Deposit for shares	456,755	456,755	456,755	456,755	456,755
Inventories	2,205,911	2,296,714	3,086,557	1,278,609	575,477
Trade and other receivables	555,191	480,328	671,245	963,497	702,520
Other assets	5,439,870	3,601,351	2,833,560	1,240,463	262,820
Cash and short term deposits	12,652,482	19,697,267	11,502,977	64,465,910	3,638,710
Total assets	24,000,631	28,204,539	19,776,219	69,480,427	6,775,765
Liabilities					
Deferred grant income	56,248	73,345	90,396	107,447	107,291
Long term loan	210,863	272,975	320,451	368,779	293,586
Trade and other payables	7,260,330	15,267,255	9,547,158	66,371,451	7,807,698
Current income tax payable	1,602,242	1,113,348	542,387	219,059	149,480
Total liabilities	9,129,683	16,726,923	10,500,393	67,066,736	8,358,055
Net Assets/(Liabilities)	14,870,948	11,477,616	9,275,827	2,413,691	(1,582,290)
Equity/(deficit)					
Share capital	4,600,000	4,600,000	4,600,000	3,317,283	2,100,000
Share premium	7,374,271	7,374,271	7,374,271	2,969,824	646,875
Retained earnings/(accumulated losses)	2,896,677	(496,655)	(2,698,444)	(3,873,416)	(4,329,165)
Total equity/(deficit)	14,870,948	11,477,616	9,275,827	2,413,691	(1,582,290)
TURNOVER AND PROFIT					
Turnover	29,896,490	33,905,417	22,542,395	23,584,553	22,724,284
Profit/(loss) before income tax expense	4,897,062	3,196,473	1,609,205	536,037	(1,870,334)
Income tax expense	(1,503,730)	(994,684)	(434,233)	(80,288)	(18,658)
Profit/(loss) after tax	3,393,332	2,201,789	1,174,972	455,749	(1,888,992)
Basic earnings/(loss) per share - kobo	37	24	16	7	(39)
Net assets per share - kobo	162	125	140	36	(38)

Earnings/(loss) per share is computed on the basis of profit after tax and the weighted average number of ordinary shares in issue at the end of each financial year.