



**FINANCIAL  
STATEMENTS  
FOR THE PERIOD  
ENDED  
31 March 2026**

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Financial highlights	3 Months to	3 Months to	%
	Mar 2026	Mar 2025	
	N'000	N'000	change
Revenue	11,591,675	10,088,744	15
Operating profit	2,121,893	1,515,323	40
Finance income	372,492	263,782	41
Profit before taxation	2,392,184	1,712,219	40
Taxation	(813,342)	(565,032)	44
Profit for the period	1,578,842	1,147,187	38
Total equity and liabilities	26,406,631	21,495,376	23
Additions to property, plant & equipment (PPE)	386,014	200,293	93
Depreciation on PPE	202,462	175,280	16
Cash and cash equivalents	12,986,496	7,682,138	69
Earnings per share (kobo) - Basic and diluted	194	141	38
Net asset per share (kobo) - Basic	1,943	1,446	34

**Chemical and Allied Products Plc**  
**Unaudited Statement of Profit or Loss and Other Comprehensive Income**  
**For the Period Ended 31 March 2026**



	Notes	3 Months to Mar 2026 N'000	3 Months to Mar 2025 N'000
Revenue	5	11,591,675	10,088,744
Cost of sales	7i	(6,507,814)	(5,685,076)
<b>Gross profit</b>		<b>5,083,861</b>	<b>4,403,668</b>
Selling and Marketing expenses	7iii	(1,222,115)	(1,104,341)
Administrative expenses	7ii	(1,859,788)	(1,870,882)
Other income	6	119,935	86,878
<b>Operating profit</b>		<b>2,121,893</b>	<b>1,515,323</b>
Finance income	9	372,492	263,782
Finance cost	10	(102,201)	(66,886)
<b>Net Finance income</b>		<b>270,291</b>	<b>196,896</b>
<b>Profit before taxation</b>		<b>2,392,184</b>	<b>1,712,219</b>
Income tax expense	11	(813,342)	(565,032)
<b>Profit for the period</b>		<b>1,578,842</b>	<b>1,147,187</b>
<b>Other comprehensive income for the year net of tax</b>		-	-
<b>Total comprehensive income for the period</b>		<b>1,578,842</b>	<b>1,147,187</b>
<b>Earnings per share for profit attributable to the equity holders of the company:</b>			
Basic and diluted EPS (kobo)	13	194	141

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

**Chemical and Allied Products Plc**  
**Unaudited Statement of Financial Position**  
**As At 31 March 2026**



		2026 N'000	2025 N'000
<b>Assets</b>	<b>Notes</b>		
<b>Non-current assets</b>			
Property, plant and equipment	14	3,592,503	3,411,053
Right of use asset	16	6,672	6,672
Intangible assets	15	275,485	257,899
Finance lease receivable	18b	10,372	10,372
		<b>3,885,032</b>	<b>3,685,996</b>
<b>Current assets</b>			
Inventories	17	6,379,986	6,720,130
Trade and other receivables	18a	1,394,770	1,181,368
Prepayments	19	1,760,347	1,143,193
Cash and cash equivalents	20	12,986,496	11,735,646
		<b>22,521,599</b>	<b>20,780,337</b>
<b>Total assets</b>		<b>26,406,631</b>	<b>24,466,333</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease Liability	26	8,322	7,959
Employee benefit obligations	23	743,681	683,151
Deferred taxation liabilities	25	423,226	423,226
		<b>1,175,229</b>	<b>1,114,336</b>
<b>Current liabilities</b>			
Trade and other payables	21	4,229,493	4,742,272
Provision	22	133,254	133,254
Current income tax liabilities	11	4,662,112	3,848,770
Dividend payable	12	379,717	379,717
		<b>9,404,576</b>	<b>9,104,013</b>
<b>Total liabilities</b>		<b>10,579,805</b>	<b>10,218,349</b>
<b>Equity</b>			
Ordinary share capital	24	407,374	407,374
Share premium	24	523,850	523,850
Other Reserves from business combination	24	968,267	968,267
Retained Earnings		13,927,335	12,348,493
<b>Equity attributable to equity holders of the Company</b>		<b>15,826,826</b>	<b>14,247,984</b>
<b>Total equity</b>		<b>15,826,826</b>	<b>14,247,984</b>
<b>Total equity and liabilities</b>		<b>26,406,631</b>	<b>24,466,333</b>

**Mr. Folasope Aiyesimoju**  
Chairman  
FRC/2019/PRO/DIR/003/00000019806

**Mrs. Bolarin Okunowo**  
Managing Director  
FRC/2020/PRO/DIR/003/00000020616

**Mr. Sulaiman Iromini**  
Chief Financial Officer  
FRC/2024/PRO/ICAN/001/957319

The financial statements have been approved and authorised for issue by the Board of Directors on 27th April 2026  
The accompanying notes to the financial statements form part of these financial statements.

**Chemical and Allied Products Plc**  
**Unaudited Statement of Cash Flows**  
**For the Period Ended 31 March 2026**



		<b>2026</b>	<b>2025</b>
	<b>Notes</b>	<b>N'000</b>	<b>N'000</b>
<b>Profit after taxation</b>		1,578,842	1,147,187
Adjustments for:			
Depreciation of property plant and equipment	14	202,462	175,280
Amortization	15	25,808	20,243
(Profit)/loss on sale of PPE	6	(315)	18,359
Finance cost	10	363	363
Finance income	9	(372,492)	(263,782)
Impairment of trade and other receivables	18a	84,790	55,981
Inventory provision	17	21,634	45,865
Income Tax expense	11	813,342	565,032
Foreign exchange loss		101,838	66,523
<b>Cash from operations before working capital changes</b>		<b>2,456,272</b>	<b>1,831,050</b>
Changes in inventory	17	318,511	500,389
Changes in trade and other receivables	18(a)	(298,192)	(470,356)
Changes in trade payables	21	(512,779)	53,398
Changes in employee benefit obligations	23	60,530	52,218
Changes in prepayment	19	(617,154)	(1,445,512)
<b>Cash generated from operations</b>		<b>1,407,188</b>	<b>521,186</b>
<b>Net cash generated from operating activities</b>		<b>1,407,188</b>	<b>521,186</b>
<b>Cash flows from investing activities</b>			
Purchase of property plant and equipment	14	(386,014)	(200,293)
Proceeds from disposal of PPE		2,417	149,251
Purchase of Intangible Assets		(43,395)	-
Interest received	9	372,492	263,782
<b>Net cash flow (used in)/from investing activities</b>		<b>(54,500)</b>	<b>212,740</b>
<b>Net cash flow used in financing activities</b>			
<b>Net increase in cash and cash equivalents</b>		<b>1,352,688</b>	<b>733,926</b>
Foreign exchange loss		(101,838)	(66,523)
<b>Cash and cash equivalents at beginning of period</b>	<b>20</b>	<b>11,735,646</b>	<b>7,014,735</b>
<b>Cash and cash equivalents at end of period</b>	<b>20</b>	<b>12,986,496</b>	<b>7,682,138</b>

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

Statement of Changes in Equity

	Share Capital N'000	Share Premium N'000	Other Reserves N'000	Retained Earnings N'000	Total Equity N'000
<b>At 01 January 2025</b>	<b>407,374</b>	<b>523,850</b>	<b>968,267</b>	<b>8,736,996</b>	<b>10,636,487</b>
Profit for the period				1,147,187	1,147,187
<b>Total comprehensive income:</b>				<b>9,884,183</b>	<b>11,783,674</b>
<b>Transaction with owners:</b> Dividend proposed and paid					
<b>At 31 March 2025</b>	<b>407,374</b>	<b>523,850</b>	<b>968,267</b>	<b>9,884,183</b>	<b>11,783,674</b>
Balance at 1 January 2026	407,374	523,850	968,267	12,348,493	14,247,984
Profit for the period				1,578,842	1,578,842
<b>Total comprehensive income:</b>				<b>13,927,335</b>	<b>15,826,826</b>
<b>Transactions with owners:</b> Dividend proposed and paid					
<b>At 31 March 2026</b>	<b>407,374</b>	<b>523,850</b>	<b>968,267</b>	<b>13,927,335</b>	<b>15,826,826</b>

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

## 1 General information

### 1.1 Reporting Entity

Chemical and Allied Products Plc ('the Company') is a company incorporated in Nigeria. The Company is involved in the manufacturing and sale of paints. The address of the registered office is 2 Adeniyi Jones Avenue, Ikeja, Lagos.

The company is a public liability company, which is listed on the Nigerian Exchange domiciled in Nigeria.

The Parent Company is UACN Plc, a Nigerian Company listed on the Nigerian Exchange.

### 1.2 Basis of accounting

#### i) Statement of compliance

The financial statements of Chemical and Allied Products Plc have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023. The financial statements, which were prepared on a going concern basis, were authorized for issue by the Company's board of directors on 27th April 2026. Details of the Company's accounting policies, including changes thereto are included in Note 2.

#### ii) Basis of measurement

The financial statements have been prepared in accordance with the going concern assumption under the historical cost concept except for the following items, which are measured on an alternative basis on each reporting date:

- Non- derivative financial instruments - initially measured at fair value and subsequently at amortised cost.
  
- Long term employee benefits - present value of the obligation
- Inventory - lower of cost and net realizable value
- Lease liabilities - measured at present value of future lease payments

### 1.3 Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Naira (N), which is the Company's functional currency. All amounts have been rounded to the nearest thousand unless otherwise indicated.

## 2 Material accounting policies

### 2.1 Leases

The Company applies a single recognition and measurement approach for all leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## 2 Material accounting policies (continued)

### 2.1 Leases (Continued)

#### Company as a lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

#### i) Right-of-use assets (ROU)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Land 40 to 99 years
- Shop Space 5years

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.5 *Impairment of non-financial assets*.

#### ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## 2 Material accounting policies (continued)

### iii) Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases.

#### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. This has been recognised as finance lease receivable.

## 2.2 Foreign currency translation

### *Transactions and balances*

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss and presented within finance income or finance cost.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange gains and losses are presented in the statement of profit or loss and other comprehensive income related to financial instruments.

## 2.3 Property, plant and equipment

### Recognition and measurement

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

## 2 Material accounting policies (continued)

### 2.3 Property, plant and equipment (continued)

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

#### **Subsequent expenditure**

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be measured reliably. The carrying amount of the replaced cost is derecognised. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

#### **Depreciation**

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Building on leasehold land	Shorter of useful life and lease terms (40 to 99 years)
Plant and machinery	3 to 43 years
Furniture and fittings	3 to 6 years
Tinting equipment	4 years
Motor vehicles	4 to 6 years

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

Asset under construction are disclosed as Capital Work in Progress and are not depreciated.

Depreciation begins when the asset is available for use and continues until the asset is derecognised, even if it is idle.

#### **Derecognition**

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

**2 Material accounting policies (continued)**

**2.4 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

<b>Asset</b>	<b>Useful Life</b>
Trademark	Indefinite
Acquired Computer Software	5years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss and other comprehensive income when the asset is derecognised.

**Acquired Computer Software**

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- the directors intend to complete the software product and use it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

## **2 Material accounting policies (continued)**

### **2.4 Intangible assets (continued)**

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

### **2.5 Impairment of non-financial assets**

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or Cash Generating Unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

### **2.6 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **2.6.1 Financial Assets**

##### **Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through 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. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. 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 determined under IFRS 15. Refer to the accounting policies in Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, 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.

## 2 Material accounting policies (continued)

### Financial Instruments-initial recognition and subsequent measurement

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified into 1 category:

- Financial assets at amortised cost (debt instruments)

#### Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost 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.

The Company's financial assets at amortised cost includes trade receivables, other receivables, loans, cash and cash equivalents and related parties receivables.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

## 2 Material accounting policies (continued)

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the note to Trade receivables Note 18a.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment using the loss rate model.

For receivables from related parties (non-trade), other receivables and short-term deposits, the Company applies general approach in calculating ECLs. It is the Company's policy to measure ECLs on such asset on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

## 2 Material accounting policies (continued)

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The mechanics of the ECL calculations for receivable from related parties and other non-trade receivables are outlined below and the key elements are, as follows:

- PD- the probability of default is an estimate of the likelihood of default over a given time horizon.
- EAD- the exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise.
- LGD- the loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

### Write-off policy

The Company writes off a financial asset 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 in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

### 2.6.2 Financial Liabilities - All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

### Financial liabilities at amortized cost

These includes trade and other payables, loans payables and borrowings. Trade payables are classified as current liabilities due to their short term nature.

## 2 Material accounting policies (continued)

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## 2.7 Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost is calculated based on the actual cost that comprises cost of direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Write offs and write down allowances are recognized in profit or loss for obsolete items, damaged or slow moving items where applicable, in the period they occur.

## 2.8 Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand plus short-term deposits. Short-term deposits have a maturity of less than three months from the date of acquisition, are readily convertible to cash and are subject to an insignificant risk of change in value.

## 2.9 Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when:

- the Company has a present obligation as a result of a past event
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

## 2 Material accounting policies (continued)

The unwinding of the discount is recognised as finance cost. The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cashflows (when the effect of the time value of money is material).

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

### Contingent liabilities

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

### Contingent Assets

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

## 2.10 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

The Company has only one class of shares; ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve. The use of the share premium account is governed by Companies and Allied Matters Act (CAMA), 2020. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

## 2 Material accounting policies (continued)

### 2.11 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. It includes tax payable on current year's profit plus adjustment in respect of previous years.

#### 2.11.1 Current tax

Tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in future 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 and is assessed as follows;

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

#### Minimum tax

Minimum tax is payable by companies having no taxable profits for the year or where the tax on profits is below the minimum tax. Minimum tax is calculated by applying 0.5% on Company's turnover.

#### 2.11.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax 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 realized, 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.

## 2 Material accounting policies (continued)

### 2.11.3 Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized 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.

### 2.12 Employee benefits

The company operates a defined contribution plan. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

#### *(a) Defined contribution schemes*

i) Statutory contributions (Note 8): The Pensions Reform Act of 2014 requires all companies to pay a minimum of 10% of employees monthly emoluments and the employee to pay a minimum of 8% of monthly emoluments (basic salary, housing and transport allowance) to a pension fund on behalf of all full time employees.

The contributions are recognised as employee benefit expenses as services are rendered by employees. The company has no further payment obligation once the contributions have been paid. Employee contributions are funded through payroll deductions.

#### *(b) Productivity incentive and bonus plans*

All full time staff are eligible to participate in the productivity incentive scheme. The company recognises a liability and an expense for bonuses and productivity incentive, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### *(c) Termination benefits*

Termination benefits are recognised as an expense when it is paid under involuntary resignation or when the Company is committed to a formal detailed plan to terminate employment before the normal retirement date.

#### *(d) Short term employee benefits*

Short term employee benefit obligations are expensed without deduction as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and or the obligation can be estimated reliably.

#### *(e) Other long term employee benefits (Long term incentive plan)*

Other long term employee benefits relates to long term incentive plan (LTIP) instituted by the Company to incentivise key management staff upon the accomplishment of set objectives. The liability recognised under the scheme is estimated and discounted to its present value.

## 2 Material accounting policies (continued)

### 2.13 Revenue From Contracts with Customers (IFRS 15)

The Company is involved in the manufacturing and sale of paints.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Company has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Company reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Company has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorised the different revenue stream detailed below.

#### Sale of Paints

The Company manufactures and sells paints and other decoratives. Revenue are recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. The normal credit term is 30 to 60 days upon delivery. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The paint is often sold with volume rebates based on aggregate sales, which can be assessed over a one-month or three-month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume rebates. The Company normally transfer the products to the customers premises as part of the sales incentive which is a logistics discount. The logistic discount which is the transport cost paid on behalf of the customer is recognised as a reduction to revenue for the related goods. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any). In determining the transaction price for the sale of paint, the Company considers the existence of significant financing components and consideration payable to the customer (if any).

#### i) Variable Consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of paint and other decorative provide customers with a right of return and usage based fees (management fee). The rights of return and usage based fees give rise to variable consideration.

## 2 Material accounting policies (continued)

### ***Rights of return***

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer, as at 31 December 2025 no performance obligation is outstanding.

### ***Customer Usage***

The Company has contracts where support staff are located in the colour centres/shops that belong to its numerous customers. The fee charged is based on a constant rate on sales made by the customer. The total transaction price of service cost rendered by Company would be variable since the contracts have range of possible transaction prices arising from different volume purchased even though the rate per unit/band is fixed. The Company estimates the variable consideration using the expected value (i.e. a probability weighted amount) because this method best predicts the amount of consideration.

### ii) **Significant financing component**

Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

### **Application of paints**

The Company provides service of application of paints to its customers. Such services are recognised as a performance obligation satisfied over time. Revenue is recognised by measuring progress using the input method that is labour hours.

Using the practical expedient in IFRS 15 for the application of paints, the Company has elect to recognise revenue based on the amount invoiced to the customer since the Company has a right to consideration from its customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date.

### **Contract Balances**

#### **Trade Receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

## 2 Material accounting policies (continued)

### Assets and liabilities arising from rights of return

#### Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

#### Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer.

#### Cost to obtain a contract

The Company pays sales commission to its employees for each contract that they obtain for sales of paint. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included under employee benefits and part of selling and distribution) because the amortisation period of the asset that the Company otherwise would have used is one year or less.

### 2.14 Fair value measurement

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable:

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## 2 Material accounting policies (continued)

In some cases, if the inputs used to measure the fair value of an asset or a liability is categorised in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the basis of determination of fair values are included in Note 28 Financial Instruments - Fair Values and Financial Risk Management.

### 2.15 Dividend distribution

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

### 2.16 Earnings per Share

Basic earnings per share is computed by dividing the profit or loss attributable to owners of the Company by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit or loss attributable to the owners of the Company, by the weighted average number of shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.

### 2.17 Assets held for sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

## 2 Material accounting policies (continued)

### **Derecognition of assets held for sale and recognition of gain or loss on remeasurement**

An asset (or disposal group) classified as held for sale is derecognized when it is disposed of, signifying the transfer of control to another party, typically through legal ownership transfer; when the criteria for held-for-sale classification are no longer met, such as a decision not to sell or distribute the asset or the sale no longer being highly probable within one year; or when no future economic benefits are expected from its disposal, as in cases of abandonment or permanent withdrawal from use and sale.

### **Gain or loss on remeasurement**

When an asset (or disposal group) is initially classified as held for sale, or when its fair value less costs to sell is subsequently remeasured, any resulting impairment loss is recognized in profit or loss. This impairment loss is calculated as the difference between the carrying amount and the fair value less costs to sell.

A gain is recognized for any subsequent increase in fair value less costs to sell of an asset (or disposal group) classified as held for sale, but not in excess of the cumulative impairment loss that has been previously recognized. This gain is recognized in profit or loss.

**Reclassification from Assets Held for Sale:** If the criteria for held for sale are no longer met, the asset (or disposal group) is reclassified as held for use. The asset (or disposal group) is measured at the lower of its carrying amount before it was classified as held for sale, adjusted for any depreciation, amortization, or revaluation that would have been recognized had the asset not been classified as held for sale, and its recoverable amount at the date of the subsequent decision not to sell. Any resulting adjustment is recognized in profit or loss.

The gain or loss arising from the derecognition or remeasurement of assets held for sale is presented in profit or loss within the statement of comprehensive income, consistent with the nature of the asset being disposed of.

### **2.18 Prepayments**

Prepayments are non-financial assets which result when payments are made in advance of the receipt of goods and services. They are recognised when the Company expects to receive future economic benefits equivalent to the value of the prepayments. The receipt or consumption of the services results in a reduction in the prepayment and a corresponding increase in expenses or assets for that reporting period.

### **2.19 Operating profit**

Operating profit is the result generated from the continuing principal revenue-producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity-accounted investees and income taxes.

## **2 Material accounting policies (continued)**

### **2.20 Segment reporting**

An operating segment is a distinguishable component of the Company that earns revenue and incurs expenditure from providing related products or services (business segment) or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of others.

Operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess performance. Based on the internal management reports reviewed by the CODM, the entity has only one reportable segment for the sale of paints in Nigeria as represented in the financial statements.

### **2.21 Finance income and finance costs**

The Company's finance income and finance costs include:

- Interest income
- Interest expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

## **3 Standards and Interpretations**

### **3.1 Standards effective in the year**

There were no new accounting standards and interpretations that had a material impact on the financial statements for the period.

### 3.2 Accounting standards issued but not yet effective

A new accounting standard is effective for annual reporting periods beginning after 1 January 2026 and early application permitted. However, the Company has not early adopted the following new or amended accounting standards in preparing these financial statements:

Standard/Interpretation	Description of standards/interpretation	Date issued by IASB	Effective date Period beginning after	Summary of the requirements and impact assessment
IFRS 18	<b>Presentation and Disclosure in Financial Statements</b>	April 2024	1 January 2027	<p>The new standard introduces the following key new requirements:</p> <ul style="list-style-type: none"> <li>• It promotes a more structured income statement, in particular, it introduces a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be classified into three new distinct categories, operating, investing, and financing, based on a company's main business activities.</li> <li>• All companies are required to report the newly defined 'operating profit' subtotal – an important measure for investors' understanding of a company's operating results – i.e. investing and financing results are specifically excluded. This means that the results of equity-accounted investees are no longer part of operating profit and are presented in the 'investing' category.</li> <li>• Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.</li> <li>• Enhance guidance is provided on how to group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. Companies are discouraged from labelling items as 'other' and will now be required to disclose more information if they continue to do so.</li> <li>• It also requires Companies to analyse their operating expenses directly on the face of the income statement – either by nature, by function or using a mixed presentation. If any items are presented by function on the face of the income statement (e.g. cost of sales), then a company provides more detailed disclosures about their nature.</li> </ul> <p>The Company is yet to carry-out an assessment to determine the impact that the amendments could have on its business; however, the Company will adopt the standard for the year ending 31 December 2027.</p> <p>The Directors are still assessing the impact that this standard is expected to have on the financial statements.</p>

#### 4. Significant judgements and estimates

##### 4.1 Significant estimates

The preparation of financial statement in conformity with IFRS requires the use of certain critical accounting estimates. In the process of applying the Company's accounting policies, management has exercised judgment and estimates in determining the amounts recognised in the financial statements. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The areas where judgment and estimates are significant to the financial statements are as follows:

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the hospitality sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 18a.

##### **Property, plant and Equipment/Intangible assets**

Estimates are made in determining the depreciation/amortisation rates and useful lives of these property, plant and equipment. These financial statements have, in the management's opinion been properly prepared within reasonable limits of materiality and within the framework of the summarised significant accounting policies.(refer to Notes 2.3 and 2.4 for further details).

The amortisation period/useful lives of intangible assets also require management estimation.

##### 4.2 Significant judgements

There are ongoing claims against the company which which have been provided for based on directors estimate that is likely to be paid based on legal advice during the financial year.

## 5. Analysis by revenue

The chief operating decision-maker has been identified as the executive directors. The executive directors review the company's internal reporting on monthly income statement and financial position in order to assess performance and allocate resources.

The executive directors assess performance of the operating segment based on profit from operations.

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
Operating profit	2,121,893	1,515,323
Depreciation (Note 14)	202,462	175,280
Interest income (Note 9)	372,492	263,782
Profit before taxation	2,392,184	1,712,219
Income tax (Note 11)	813,342	565,032
<b>Entity wide information:</b>	<b>2026</b>	<b>2025</b>
Analysis of revenue:	<b>N'000</b>	<b>N'000</b>
Sale of paint products	11,591,675	10,074,288
Revenue from services	-	14,456
	<b>11,591,675</b>	<b>10,088,744</b>

## 6. Other income

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
Sale of scrap items	31,881	27,277
Profit/(Loss) on sale of PPE	315	(18,359)
Management fees	86,459	77,135
Rental Income	1,280	825
	<b>119,935</b>	<b>86,878</b>

Management fees represent income generated from management services rendered to the company's key distributors.

## 7. Expenses by nature

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
<b>7.1 Cost of sales</b>		
Raw material consumed	5,454,157	4,777,088
Staff costs excluding directors' emoluments	148,635	137,368
Distribution cost	212,637	181,089
Royalty fees	361,084	308,048
Hire of equipment	40,006	35,356
Capdec project cost	12,063	11,180
Depreciation of property, plant & equipment (Note 14)	79,811	68,247
General risk insurance premium	46,972	38,599
Direct overhead	152,449	128,100
	<b>6,507,814</b>	<b>5,685,076</b>

	2026 N'000	2025 N'000
<b>7ii Administrative expenses</b>		
Staff costs excluding directors' emoluments	843,118	904,718
Directors' emoluments (Note 8iii)	43,219	46,972
Auditors' fees	13,396	12,179
Depreciation of property, plant & equipment (Note 14)	122,651	107,033
Amortization of intangible assets (Note 15)	25,808	20,243
Insurance	6,381	8,956
Commercial service fees (Note 27b)	121,495	105,743
Computer charges	194,887	199,336
Cleaning and laundry	11,124	9,422
Security	17,822	21,085
Fuel and Oil Expenses	9,710	16,649
Other Professional/Consultancy Expenses	30,809	28,786
Postage, Printing and Telecoms	6,706	8,254
Donations	150	-
AGM/Secretariat Expenses	27,252	21,069
Inventory provision	21,634	45,865
Impairment of trade and other receivables	84,790	55,981
**Other expenses	278,836	258,593
	<b>1,859,788</b>	<b>1,870,882</b>

\*\*Other expenses relates to vehicle, legal, rent, etc expenses charge to admin during the period.

	2026 N'000	2025 N'000
<b>7iii Selling and marketing expenses</b>		
Marketing, communication & entertainment	516,274	450,476
Tour and travelling	30,887	33,930
*Other expenses	674,954	619,935
	<b>1,222,115</b>	<b>1,104,341</b>

\*Other expenses relates to sales & redistributive incentive, dealers reward, etc charged to selling & distribution expenses during the period

## 8. Employee benefits

	2026 N'000	2025 N'000
<b>Staff costs include:</b>		
Wages and salaries	953,894	1,005,603
Pension costs:		
- Defined contribution plans (Statutory)	37,859	36,483
	<b>991,753</b>	<b>1,042,086</b>

## 8i Particulars of directors and staff

(i) The company had in its employment during the year the weekly average number of staff in each category below. The aggregate amount stated against each category was incurred as wages and retirement benefit costs during the year.

	2026 N'000	2025 N'000
<b>Costs</b>		
Management Staff	678,930	755,491
Non Management Staff	312,823	286,595
<b>Total</b>	<b>991,753</b>	<b>1,042,086</b>

**8 Employee benefits (continued)**

(iii) Emoluments of directors

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
Fees	431	431
Passage allowance	42,788	46,540
Other emoluments	48,185	49,573
	<b>91,404</b>	<b>96,544</b>

(iv) The Chairman's emoluments

11,925	10,445
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(v) Emolument of the highest paid director

48,185	49,573
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**8. Employee benefits**

**Key management compensation**

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
Short-term employee benefits:		
- Wages and salaries	46,510	47,898
- Allowance - Executive Directors	1,675	1,675
	<b>48,185</b>	<b>49,573</b>

The above amounts have been included in directors emoluments above.

**9. Finance income**

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
Interest income on short-term bank deposits	372,492	263,782
	<b>372,492</b>	<b>263,782</b>

Interest income is calculated using the effective interest rate method

**10. Finance Cost**

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
Lease interest expenses	363	363
Exchange loss	101,838	66,523
	<b>102,201</b>	<b>66,886</b>

11. Taxation

	2026 N'000	2025 N'000
<i>Current tax</i>		
Nigeria corporation tax charge for the year	717,655	513,666
Development Levy	95,687	
Education tax		51,367
Income tax expense	<u>813,342</u>	<u>565,032</u>

Nigeria corporation tax is calculated at 30% (2025: 30%) of the estimated assessable profit for the year.

The tax charge for the year can be reconciled to the profit per the statement of profit or loss as follows:

	2026 N'000	2025 N'000
Accounting Profit before tax	<u>2,392,184</u>	<u>1,712,219</u>
Tax at the Nigeria corporation tax rate of 30% (2025: 30%)	717,655	513,666
Development Levy at 4% of assessable profit	95,687	
Education tax at 3% of assessable profit		51,367
	<u>813,342</u>	<u>565,032</u>
Effective tax rate	34.0%	33.0%
<b>Income tax recognised in profit or loss</b>		
Tax at the Nigeria corporation tax rate of 30% (2025: 30%)	717,655	513,666
Development Levy at 4% of assessable profit	95,687	-
Education tax	-	51,367
Tax charge for the year	<u>813,342</u>	<u>565,032</u>
	<u>2026 N'000</u>	<u>2025 N'000</u>
<b>Per statement of profit or loss</b>		
Income tax	717,655	513,666
Development Levy at 4% of assessable profit	95,687	
Education tax	-	51,367
	<u>813,342</u>	<u>565,032</u>

11. Taxation (Continued)

Per statement of financial position:

Balance 1 January	3,848,770	1,919,902
Charge for the year	813,342	3,813,889
Payments during the year	-	(1,733,056)
WHT Utilized	-	(151,965)
<b>Balance as at March 2026</b>	<b>4,662,112</b>	<b>3,848,770</b>

12. Dividend payable

Amounts recognised as distributions to ordinary shareholders in the year comprise:

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
At 1 January	379,717	1,303,512
Dividend declared		1,955,394
Dividends transferred to registrar	-	(42,976)
Dividend refunded by the registrar*	-	91,442
Payment during the year	-	(1,955,394)
Statute barred dividend written back**	-	177,894
Transfer to Unclaimed dividend Trust Fund	-	(1,150,156)
	<b>379,717</b>	<b>379,717</b>

ii. Dividend declared

Amounts recognised as distributions to ordinary shareholders in the year comprise of the below;

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	<b>2026</b>	<b>2025</b>
Weighted average number of ordinary shares in issue ('000)	814,748	814,748
Profit attributable to ordinary equity shareholders (N'000)	1,578,842	1,147,187
Basic earnings per share (kobo)	194	141
(b) Diluted	194	141

There were no potentially dilutive shares outstanding at 31 March 2026

14. Property, plant and equipment  
14.1 Reconciliation of carrying amount

	Leasehold Land	Buildings on leasehold land	Tinting equipment	Plant and Machinery	Furniture and fittings	Motor vehicles	WIP	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1st January 2025	41,412	489,651	1,133,353	1,957,980	854,383	1,703,672	-	6,180,451
Additions	-	115,904	233,661	149,254	135,189	273,043	-	907,051
Disposals	-	(148,644)	(1,041)	-	(5,009)	(82,063)	-	(236,757)
At 31st December 2025	41,412	456,911	1,365,973	2,107,234	984,563	1,894,652	-	6,850,745
At 1st January 2026	41,412	456,911	1,365,973	2,107,234	984,563	1,894,652	-	6,850,745
Additions/Transfer	-	26,566	-	41,739	21,249	296,460	-	386,014
Disposals	-	-	-	-	(3,565)	-	-	(3,565)
At 31 March 2026	41,412	483,477	1,365,973	2,148,973	1,002,247	2,191,112	-	7,233,194
<b>Accumulated depreciation</b>								
At 1st January 2025		62,567	877,520	554,123	507,464	801,100	-	2,802,774
Charge for the year		11,038	177,175	130,450	155,046	278,403	-	752,112
Disposals		(14,682)	(1,036)	(27,247)	(8,985)	(63,245)	-	(115,195)
At 31st December 2025		58,923	1,053,659	657,326	653,525	1,016,258	-	3,439,691
At 1st January 2026		58,923	1,053,659	657,326	653,525	1,016,258	-	3,439,691
Charge for the year		2,724	44,922	34,888	37,973	81,954	-	202,462
Disposals		-	-	-	(1,463)	-	-	(1,463)
At 31 March 2026		61,647	1,098,581	692,214	690,035	1,098,212	-	3,640,690
<b>Net book values</b>								
At 31st December 2025	41,412	397,988	312,314	1,449,908	331,038	878,393	-	3,411,053
At 31 March 2026	41,412	421,830	267,392	1,456,759	312,212	1,092,900	-	3,592,503

#### 14. Property, plant and equipment (Continued)

- a) Leasehold properties have an unexpired tenure of 40 years  
b) The Company had no capital commitments as at 31st March 2026  
c) No asset of the Company was pledged as security and there are no restrictions to title on any of the Company's assets (2025: Nil).

#### 15. Intangible assets

	Software N'000	Trademark N'000	WIP N'000	Total N'000
<b>Cost of software:</b>				
At 1st January 2025	394,680	49,025	0	443,705
Additions	77,511	-	-	77,511
Disposal	-	-	-	-
At 31st December 2025	<u>472,191</u>	<u>49,025</u>	<u>0</u>	<u>521,216</u>
At 1st January 2026	472,191	49,025	0	521,216
Additions	43,395	-	-	43,395
Reclassification	-	-	-	-
At 31 March 2026	<u>515,586</u>	<u>49,025</u>	<u>0</u>	<u>564,611</u>
<b>Amortisation of software:</b>				
At 1st January 2025	177,231	-	-	177,231
Amortisation charge	86,086	-	-	86,086
Disposal	-	-	-	-
At 31st December 2025	<u>263,317</u>	<u>-</u>	<u>-</u>	<u>263,317</u>
At 1st January 2026	263,317	-	-	263,317
Amortisation charge	25,808	-	-	25,808
Disposal	-	-	-	-
At 31 March 2026	<u>289,125</u>	<u>-</u>	<u>-</u>	<u>289,125</u>
<b>Net book value</b>				
At 31st December 2025	<u>208,874</u>	<u>49,025</u>	<u>0</u>	<u>257,899</u>
At 31 March 2026	<u>226,460</u>	<u>49,025</u>	<u>0</u>	<u>275,485</u>

#### Trademark

The Company's trademark represents the N49 million trade mark purchased from Blue Circle Industries Plc by Portland Paints & Products Plc, and acquired through the merger, which have been adjudged to have an indefinite life. The Trademark is carried at cost, without amortisation, to be tested annually for impairment.

16. Right of Use assets	Land N'000	Total N'000
<b>Cost</b>		
At 1 January 2025	7,740	7,740
Additions		
At 31 December 2025	7,740	7,740
At 1 January 2026	7,740	7,740
Additions		
<b>At 31 March 2026</b>	<b>7,740</b>	<b>7,740</b>
<b>Accumulated Depreciation</b>		
At 1 January 2025	890	890
Depreciation charge	178	178
<b>At 31 December 2025</b>	<b>1,068</b>	<b>1,068</b>
At 1 January 2025	1,068	1,068
Depreciation charge		
<b>At 31 March 2026</b>	<b>1,068</b>	<b>1,068</b>
Carrying amount		
<b>At 31 December 2025</b>	<b>6,672</b>	<b>6,672</b>
<b>At 31 March 2026</b>	<b>6,672</b>	<b>6,672</b>

Right of Use Assets arise from the Company's lease arrangement with Wemabod on the piece of land where the office and warehouse is located for a non cancellable period of 100 years.

17. Inventories	2026 N'000	2025 N'000
Raw materials	3,184,146	2,992,227
Intermediates	121,033	98,270
Technical stocks and spares	266,578	268,068
Containers and labels	371,204	264,070
Finished goods	2,882,203	3,521,040
	6,825,164	7,143,675
Write down - Inventory	(445,178)	(423,545)
	<b>6,379,986</b>	<b>6,720,130</b>

Inventories have been reduced by N445million (2025: N424 million) as a result of bad and damaged products. The movement in 2026 is the additional provision during the year

**18a Trade and other receivables**

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
Receivables due within one year		
Trade receivables	1,225,595	998,603
Receivables from related parties (Note 27)	242	11,433
	<u>1,225,837</u>	<u>1,010,036</u>
Less: provision for impairment of trade receivables	(265,500)	(180,710)
Net trade receivable	960,337	829,326
Withholding tax receivable	160,932	139,257
Impairment of WHT receivable	(65,427)	(65,427)
Other receivables	161,124	100,408
Return Asset	8,692	8,692
Receivable from Pal Pension - Gratuity	169,112	169,112
	<u><b>1,394,770</b></u>	<u><b>1,181,368</b></u>

**Notes to the financial statements - Continued**

**18a. Trade and other receivables (continued)**

Movements in the provision for impairment of trade receivables are as follows:

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
At 1 January	180,710	123,361
Additional impairment charge	84,790	76,525
Receivable Write off in the year	-	(19,176)
At 31 March 2026	<u><b>265,500</b></u>	<u><b>180,710</b></u>

**18b Receivables due after one year, finance lease receivables**

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
Gross investment in lease	73,700	77,000
Unearned finance income	(63,328)	(66,628)
Net investment in lease	<u>10,372</u>	<u>10,372</u>

**Gross investment in lease**

Gross finance lease receivable - minimum lease receivable

- No later than 1 year	3,300	2,200
- 2 to 5 years	13,200	8,800
- More than 5 years	57,200	66,000
	<u>73,700</u>	<u>77,000</u>
Future finance income on lease	(63,328)	(66,628)
Present value of finance lease receivable	<u>10,372</u>	<u>10,372</u>

The present value is analysed as follows:

- No later than 1 year	-	-
- 2 to 5 years	5,910	5,910
- More than 5 years	4,462	4,462
	<u>10,372</u>	<u>10,372</u>

The company has finance lease for a warehouse to a related party, MDS Logistics. The lease is for a total period of 51 years; of this period 34 years remain in the contract. The property reverts to the company at the end of the lease period.

**19. Prepayments**

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
Foreign Import prepayment	576,234	199,640
Other prepayments	695,713	414,839
Advance payment to vendors	488,400	528,714
	<u>1,760,347</u>	<u>1,143,193</u>

Other prepayment mainly relates to prepaid expenses - Insurance, rent, software licences, etc.

**20. Cash and cash equivalents**

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
Cash at bank and in hand	1,049,550	746,393
Short-term deposits	11,936,946	10,989,253
Total	<u>12,986,496</u>	<u>11,735,646</u>

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

**Notes to the financial statements - Continued**

**21. Trade and other payables**

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
Trade payables	621,286	1,410,252
Royalty accrual	854,580	493,495
	<b>1,475,866</b>	<b>1,903,747</b>
Employee Payables	34,318	4,610
Statutory Payables	345,035	412,179
Advance payments received	174,572	187,109
Payable to related parties	73,584	77,531
Accrued expenses	1,898,511	1,714,003
Other Payables	210,445	425,931
Refund Liability	17,162	17,162
	<u>4,229,493</u>	<u>4,742,272</u>
	<b>2026</b>	<b>2025</b>
Average credit period taken for trade payable (days)	30	30

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The directors consider the carrying amount of trade and other payables to approximate its fair value.

**22. Provision**

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
Opening balance as at 1 January 2026	133,254	133,254
Closing balance as at 31 March 2026	<u>133,254</u>	<u>133,254</u>

This represents estimates of liabilities in relation to litigation and claims arising in the normal course of the business for which the actual amounts are not certain.

**23. Employee benefit obligations**

	<b>2026</b>	<b>2025</b>
	<b>N'000</b>	<b>N'000</b>
Opening balance as at 1 January 2025	683,151	277,824
Provisions made during the year (Note 7ii)	60,530	405,327
Closing balance as at 31 March 2026	<u>743,681</u>	<u>683,151</u>

## 24. Share capital

	2026		2025	
	Number N'000	Amount N'000	Number N'000	Amount N'000
<b>Issued and fully paid:</b>				
Ordinary shares of 50k each	814,748	407,374	814,748	407,374
<b>Movements during the year:</b>	Number of shares N'000	Ordinary shares N'000	Number of shares N'000	Ordinary shares N'000
Balance at 1 January 2025	814,748	407,374	814,748	407,374
At 31 March 2026	814,748	407,374	814,748	407,374

### Share premium

	N'000 2026	N'000 2025
Balance at 1 January	523,850	523,850
Movement in the period	-	-
At 31 March 2026	523,850	523,850

### Reserves from business combination

	N'000	N'000
Balance at 1 January	968,267	968,267
At 31 March 2026	968,267	968,267

### Nature and purpose of reserves

The share premium reserve is used to recognise the amount above the par value of issued and fully paid ordinary share of the Company.

## 25. Deferred tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:  
Statement of financial position:

	2026 N'000	2025 N'000
Deferred tax liabilities:		
Deferred tax liability to be recovered after more than 12 months	423,226	423,226
	423,226	423,226
Property, plant & equipment	727,577	727,577
Provisions and allowances for inventories and receivables	(272,998)	(272,998)
Exchange difference	(32,275)	(32,275)
Right of use assets (IFRS 16 Leases)	922	922
<b>Net balance</b>	423,226	423,226

## 26. Lease Liability

	2026 N'000	2025 N'000
Opening balance	7,959	7,959
Lease interest expenses	363	1,452
Lease payment during the year	-	(1,452)
Balance as at March 2026	8,322	7,959
<b>Splitting into Current and Non-Current</b>		
Current	-	-
Non-Current	8,322	7,959
	8,322	7,959

## 27. Related party transactions

The immediate and ultimate parent, as well as controlling party of the company is UAC of Nigeria Plc incorporated in Nigeria. There are other companies that are related to CAP Plc through common shareholdings and directorship.

The following transactions were carried out with related parties:

### (a) Sales of goods and services

	Relationship		2026 N'000	2025 N'000
UAC of Nigeria Plc	Parent	Sales of paint	-	-
UAC Foods Limited	Fellow subsidiary	Sales of paint	-	-
Grand Cereals Ltd	Fellow subsidiary	Sales of paint	-	-
MDS Logistics	Fellow subsidiary	Rental	-	-
UPDC	Fellow subsidiary	Sales of paint	-	-
			-	-
			-	-

### (b) Purchases of goods and services

	2026 N'000	2025 N'000
UAC of Nigeria Plc: Commercial service fee (Note 7ii)	121,495	105,743
	121,495	105,743
	121,495	105,743

### (c) Period-end balances arising from sales/purchases of goods/services:

	Relationship		2026 N'000	2025 N'000
<b>Receivable:</b>				
UPDC	Fellow subsidiary		-	10,907
Livestock Feeds Plc	Fellow subsidiary	Sales of paint	242	242
MDS Logistics	Fellow subsidiary	Rental	-	285
			242	11,433
			242	11,433
<b>Payable:</b>				
UPDC	Fellow subsidiary	Sales of paint	6,916	-
MDS Logistics	Fellow subsidiary	Rental	2,827	-
UAC of Nigeria Plc	Parent	Service	63,841	77,531
			73,584	77,531
			73,584	77,531

## 28 Financial instruments - financial risk management and fair values

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

### 28.1 Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Risk Management Committee of the Board of Directors is responsible for developing and monitoring the Company's risk management policies.

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

The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### (a Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables and balances held with banks.

Credit risk is monitored and managed in the Company by the Finance Controller. The Company analyses the credit risk for each of her new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, the Company utilises the institutions that have sufficient reputational risk but do not strictly monitor their formal ratings. In addition the Company monitors its exposures with individual institutions and has internal limits to control maximum exposures. Credit terms are set with customers based on past experiences, payment history and reputations of the customers. Sales to retail customers are settled in cash, while only agents and corporate customers are given credits based on limits set by the Board, typically 30 days.

No credit limits were exceeded during the reporting period, and management does not expect material losses from non-performance by these counterparties.

#### Exposure to credit risk

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

	2026 N'000	2025 N'000
Trade and other receivables* (Note 18a)	1,299,265	1,107,538
Finance lease receivable (Note 18b)	10,372	10,372
Cash and cash equivalents (Note 20)	12,986,496	11,735,646
	<b>14,296,133</b>	<b>12,853,556</b>

\*Non-income tax receivables and Right of return assets are not financial instruments and therefore have been excluded from trade and other receivables

The movement in the Company's impairment on trade and other receivables is shown in Note 18(a).

## 28 Financial instruments - financial risk management and fair values (continued)

### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. However, management also considers the factors that may influence the credit risk of its debtor base, including the default risk of the industry in which the debtors operate.

The Company has adopted a policy of only dealing with creditworthy counterparties and credit limits are set, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Company considers the credit risk on its interest income receivable immaterial as it represents interest accrued to date on its term deposits yet to mature at year end held by financial institutions. The assessed expected credit loss is not material and therefore not recognized.

### Expected credit loss assessment for Trade Receivables

The Company uses an allowance matrix to measure ECLs of trade receivables from its customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Loss rates are based on actual credit loss experience. These rates are multiplied by scalar factors to reflect differences between the economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected life of the receivables.

The aging of trade receivables at the reporting date including those that were past due but not impaired was as follows:

<b>As at 31 March 2026</b>	<b>Average loss rate</b>	<b>Gross</b>	<b>Impairment</b>	<b>Net</b>
		<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Current (not due)	5%	737,569	37,476	700,094
61-90 Days (past due)	31%	279,856	86,990	192,866
91-120 Days (past due)	46%	53,971	24,793	29,178
121-365 Days (past due)	70%	127,509	89,311	38,198
Over 365 days (past due)	100%	26,931	26,931	-
		<b>1,225,837</b>	<b>265,500</b>	<b>960,337</b>

<b>As at 31 December 2025</b>	<b>Average loss rate</b>	<b>Gross</b>	<b>Impairment</b>	<b>Net</b>
		<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Current (not due)	5%	686,677	34,502	652,175
61-90 Days (past due)	31%	110,133	34,233	75,900
91-120 Days (past due)	46%	185,658	85,286	100,372
121-365 Days (past due)	70%	2,936	2,057	879
Over 365 days (past due)	100%	24,632	24,632	-
		<b>1,010,036</b>	<b>180,710</b>	<b>829,326</b>

### Cash and cash equivalents

The Company held cash and cash equivalents of N12.99 billion as at 31 March 2026(2025: N11.74billion). The Company mitigates its credit risk exposure of its bank balances by selecting and transacting with reputable banks. The expected credit loss on bank balances is not considered material. Accordingly no impairment loss was recognised (2025:Nil).

## 28 Financial instruments - financial risk management and fair values (continued)

### (b Liquidity risk

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

#### Liquidity Analysis

The following are the contractual maturities of financial liabilities as at reporting date, including estimated interest payments and excluding the impact of netting agreements.

#### As at 31 March 2026

	Carrying amount	Contractual	6 months or less	6-12 months	1-5years	Over 5years
	N'000	N'000	N'000	N'000	N'000	N'000
<b>Non-derivative financial liabilities</b>						
Trade and other payables* (Note 21)	3,482,279	3,482,279	3,482,279	-	-	-
Lease liability (Note 26)	8,322	61,443	-	-	5,808	55,635
Employee benefit obligations (Note 23)	743,681	800,000	-	-	800,000	-
Dividend payable (Note 12)	379,717	379,717	379,717	-	-	-

#### 31 December 2025

	Carrying amount	Contractual	6 months or less	6-12 months	1-5years	Over 5years
	N'000	N'000	N'000	N'000	N'000	N'000
<b>Non-derivative financial liabilities</b>						
Trade and other payables* (Note 21)	3,699,891	3,699,891	3,699,891	-	-	-
Lease liability (Note 26)	7,959	61,443	-	-	5,808	55,635
Employee benefit obligations (Note 23)	683,151	800,000	-	-	800,000	-
Dividend payable (Note 12)	379,717	379,717	379,717	-	-	-

\*Statutory payables and refund liability are not financial instruments and have therefore been excluded from trade and other payables.

### (c Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currency in which sales and purchases are denominated and the respective functional currency of the Company. The functional currency of the Company is primarily the Naira. The currencies in which purchases and other transactions are denominated are United States Dollar (USD), South African Rand (ZAR) and Euro (EUR). The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

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