

NXTRA AFRICA DATA (NIGERIA) FZE

Annual Report and Financial Statements
For the period ended 31 December 2024

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Directors' Report

The Directors present their annual report on the affairs of the NXTRA AFRICA DATA (NIGERIA) FZE, together with the financial statements and auditor's report for the period ended 31 December 2024.

1. Legal form

NXTRA AFRICA DATA (NIGERIA) FZE ("or the Company") was incorporated on 6 November 2023 as a private limited liability company and is yet to commence operation as at 31 December 2024.

2. Principal activity

The principal activity of the Company is to provide Colocation Services, including Clean Space, Power Generation and Cooling offered As Leasing Services; Cross-connection Data Services, Including Connectivity from racks to respective Service Providers and Customer racks; Storage of Customer Equipment, Material Management, and Office Seating Areas.

3. Result for the period

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

Financial Highlights	
Particulars	Period up to Financial Year
	2024
	USD
Revenue from operations	-
Loss before taxation	(139,589)
Loss after taxation	(139,589)
Capex investment at period end	-

4. Directors' interests

The directors and their beneficial interests in the shares of the Company as at 31 December 2024 were as follows:

<u>Names</u>	<u>Designation</u>	<u>Date Appointed/ Resignation</u>	<u>Representing</u>	<u>Number of Ordinary Shares of ₦1.00 each</u>
Mrs. Ofomata Ogochukwu - Nwamalubia (Nigerian)	Director	Appointed 6 October 2023	-	Nil
Mr. Lella Rama Krishna - (Indian)	Director	Appointed 6 October 2023	-	Nil

The Directors do not have any interest required to be disclosed under section 303 on the Companies and Allied Matters 2020.

Directors' Report (cont'd)

5. Shareholders and Shareholdings

The shareholding structure of the Company at the end of the period was as follows:

	2024	
	Ordinary shares of USD1 each	% Shareholding
	USD	%
NXTRA Africa Data Holdings Limited	1	0.000001
NXTRA Nigeria Data Holdings (UK) Limited	999,999	99.999999
	1,000,000	100.00

6. Charitable contributions

In compliance with section 43 (2) of the Companies and Allied Matters Act, 2020, the Company did not make any donations or gifts to any political association or for any political purpose during the period under review.

7. Business ethics and compliance code

The Company has instituted a sound Business Ethics and Compliance Code, which ensures that its business is conducted in conformity with highest ethical principles, standards and integrity. It continually creates ethical awareness amongst its directors, officers and business partners to ensure full compliance with Nigerian and applicable international laws and conventions on anti-corruption, anti-money laundering and anti-terrorism.

8. Auditors

Messrs' Deloitte & Touché has expressed their willingness to continue in office as the Company's auditors in accordance with the provision of the Companies and Allied Matters Act, 2020.

Directors' Report (cont'd)

9. Employment and employees

(a) Employment of disabled persons

It is the policy of the Company that there should be no discrimination in considering applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop. As at 31 December 2024, there was one disabled person in the employment of the Company.

(b) Health, safety and welfare at work

The Company places a high premium on the health, safety and welfare of its employees in their place of work.

To this end, the Company has various forms of insurance policies, including workmen's compensation and Group life insurance, to adequately secure and protect its employees. The Company also has Safety, Health and Environment (S.H.E.) policies that employees are required to adhere to.

BY ORDER OF THE BOARD



Shola Adeyemi
Company Secretary
FRC/2016/PRO/NBA/002/00000014257
Date : 23 May 2025

Eko Atlantic City
Lagos Island
Lagos

Statement of Directors' Responsibilities

The Directors of NXTRA AFRICA DATA (NIGERIA) FZE accept responsibility for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2024, and the results of its operations, cash flows and changes in equity for the period then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act, 2020 of Nigeria and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

Going Concern:

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



Mrs. Ofomata Ogochukwu Nwamalubia
Director
FRC/2025/PRO/DIR/003/988203



Lella Rama Krishna
Director

Certification of Financial Statements

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

- (i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- (ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the periods covered by the audited financial statements;

We state that management and directors:

- (i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company [and its subsidiaries] is made known to the officer by other officers of the Company, particularly during the period in which the audited financial statement report is being prepared,
- (ii) have evaluated the effectiveness of the Company's internal controls prior to the date of its audited financial statements, and
- (iii) certify that Company's internal controls are effective as of that date;

We have disclosed:

- (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and has identified for the Company's auditors any material weaknesses in internal controls, and
- (ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the Company's internal control; and
- (iii) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The financial statements of the Company for the period ended 31 December 2024 were approved by the directors on
23 May 2025.



Mrs. Ofomata Ogochukwu Nwamalubia
Director
FRC/2025/PRO/DIR/003/988203



Akeem Salami
Financial Controller
FRC/2013/PRO/ICAN/002/00000002725

Independent Auditor's Report

To the Shareholders NXTRA Africa Data Nigeria Free Zone Enterprise

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **NXTRA Africa Data Nigeria Free Zone Enterprise** set out on pages 4 to 29, which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statements of cash flows for the period then ended and the notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements give a true and fair view of financial position of the **NXTRA Africa Data Nigeria Free Zone Enterprise** as at 31 December 2024, and of its financial performance and cash flows for the period then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of Financial Statements in Nigeria.

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

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, statement of directors' responsibilities for the preparation and approval of financial statements, the Certification of financial statements, and other national disclosures (Statement of value added and Financial Summary) as required by the Financial Reporting Council of Nigeria, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) The Company has kept proper books of account, so far as appears from our examination of those books.
- iii) The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.



Chizoba, Onyebuchi, FCA - FRC/2013/PRO/ICAN/00000000869

For: Deloitte & Touche

(FRC/2022/Coy/091021)

Chartered Accountants

Lagos, Nigeria

23 May 2025



Statement of Profit or Loss and Other Comprehensive Income

		For period ended 31 Dec 2024 USD
	Notes	
Income		
Revenue from operations	6	-
Total income		<u>-</u>
Expense		
Administrative expenses	7	139,589
Total expense		<u>139,589</u>
Loss before tax		<u>(139,589)</u>
Tax expense	10	-
Loss after tax		<u>(139,589)</u>
Other comprehensive income / (loss)		<u>-</u>
Total comprehensive loss		<u>(139,589)</u>

The accompanying notes on pages 8 to 29 form an integral part of these financial statements.

**Statement of Financial Position
As at 31 December 2024**

	Notes	2024 USD
Assets		
Non- Current assets		
Intangible assets	8	309,605
Total non-current assets		<u>309,605</u>
Current assets		
Receivables from Shareholders	9	1,000,000
Total current assets		<u>1,000,000</u>
Total assets		<u>1,309,605</u>
Equity and liabilities		
Equity		
Share capital (1,000,000 ordinary shares at USD1 each)	11	1,000,000
Accumulated loss		(139,589)
Total Equity		<u>860,411</u>
Liabilities		
Current liabilities		
Other Payables	12	449,194
Total current liabilities		<u>449,194</u>
Total liabilities		<u>449,194</u>
Total equity and liabilities		<u>1,309,605</u>

These financial statements are approved by the Board of Directors on 23 May 2025 and signed on its behalf by:



Mrs. Ofomata Ogochukwu Nwamalubia
Director
FRC/2025/PRO/DIR/003/988203



Akeem Salami
Financial Controller
FRC/2013/PRO/ICAN/002/00000002725

The accompanying notes on pages 8 to 29 form an integral part of these financial statements.

Statement of Changes in Equity

	Share Capital USD	Retained Earnings USD	Total Equity USD
Share Capital*	1,000,000	-	1,000,000
Accumulated loss	<u>-</u>	<u>(139,589)</u>	<u>(139,589)</u>
Balance as at 31 December 2024	<u>1,000,000</u>	<u>(139,589)</u>	<u>860,411</u>

* The share capital represents subscribed and unpaid share capital.

The accompanying notes on pages 8 to 29 form an integral part of these financial statements.

Statement of Cash Flows
As at 31 December 2024

	Note	2024 USD
Cash flows from operating activities		
Loss before tax		(139,589)
		<hr/>
		(139,589)
Changes in working capital:		
Increase in receivables		-
Increase in Payables	12	<hr/> 139,589
Cash generated from operating activities		<hr/> -
Net cash from operating activities (A)		<hr/> - <hr/>
Cash flows from Investing activities		
Acquisition of intangibles		<hr/> -
Net cash used in investing activities (B)		<hr/> - <hr/>
Cash flows from financing activities		
Issue of ordinary shares		<hr/> -
Net cash used in financing activities (C)		<hr/> - <hr/>
Net movement in cash and cash equivalents (A+B+C)		-
Cash and cash equivalents at the beginning of period (C)		<hr/> -
Cash and cash equivalents at the end of period (A+B+C)		<hr/> - <hr/>

The accompanying notes on pages 8 to 29 form an integral part of these financial statements.

Notes to the Financial Statements

1. Corporate Information

NXTRA AFRICA DATA (NIGERIA) FZE ("the Company") was incorporated on 6 November 2023 as a private limited liability company and is yet to commence operation as at 31 December 2024. NXTRA AFRICA DATA (NIGERIA) FZE is a subsidiary of Nxtra Nigeria Data Holdings (UK) Limited.

The principal activity of the Company is to provide Colocation Services, including Clean Space, Power Generation and Cooling offered As Leasing Services; Cross-connection Data Services, Including Connectivity from racks to respective Service Providers and Customer racks; Storage of Customer Equipment, Material Management, and Office Seating Areas.

2. Basis of preparation and measurement

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) applicable to companies reporting under IFRS and the requirements of the Companies and Allied Matters Act of Nigeria (CAMA 2020) and Financial Reporting Council of Nigeria (Amendment) Act 2023.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for items measured at fair value as indicated in the policies below.

(c) Functional and presentation currency

The financial statements have been presented in US Dollar which is the Company's functional and presentation currency. The Company determines its own functional currency (the currency of the primary economic environment in which the entity operates) and items included in the financial statements are measured using its functional currency. All values are rounded to the nearest thousand, except when otherwise indicated.

(d) Use of estimate and judgement

The preparation of financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as disclosures of contingent assets and liabilities at the reporting date and the reported amount of revenue and expenses during the period.

(e) Current vs. non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- i) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- ii) Held primarily for the purpose of trading;
- iii) Expected to be realised within twelve months after the reporting period; or
- iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- i) It is expected to be settled in the normal operating cycle;
- ii) It is held primarily for the purpose of trading;
- iii) It is due to be settled within twelve months after the reporting period; or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Notes to the financial statements

2. Basis of preparation and measurement (continued)

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(f) Fair value measurement

The Company measures financial instruments at fair value and amortised cost as may be applicable at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) in the principal market for the asset or liability, or
- ii) in the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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 categorised 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:

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

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

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.

(g) Financial Period

This financial statement covers the financial period from the incorporation date 6 November 2023 to 31 December 2024

Notes to the financial statements

3. Summary of material accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

3.1 Intangible assets

Intangible assets are those identifiable non-monetary assets without physical substances. They include those that are acquired separately by the Company including mobile money licence fees and software. Intangible assets are measured on initial recognition at cost and subsequently, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Licences are amortised over the useful life of the intangible assets on a straight-line basis from the effective date of the licence.

The useful life or amortisation period and the amortisation method for an intangible asset 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 is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit or loss in the other operating expense category.

De-recognition of Intangible assets

Intangible assets are derecognised when impaired or sold. 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 profit or loss when the asset is derecognised.

Impairment of intangible assets

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. A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Fair value less costs of disposal is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction.

Notes to the financial statements

3. Summary of material accounting policies (cont'd)

3.2 Impairment of non-financial assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Impairment losses, if any, are recognised in profit or loss as a component of depreciation and amortisation expense. Impairment losses are only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised. An assessment is made at each reporting date and whenever any indicator for impairment exists, to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

3.3 Financial instruments

Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and liabilities at initial recognition. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.3.1 Financial assets

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) and amortised cost as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. 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.

(ii) Subsequent measurement

For purposes of subsequent measurement, all recognised financial assets are measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.:

- Financial assets at fair value through profit or loss (FVTPL) – *Not applicable*
- Financial assets at fair value through other comprehensive income (FVTOCI) – *Not applicable*
- Amortised cost – *Not applicable*

Notes to the financial statements

3. Summary of material accounting policies (cont'd)

3.3 Financial instruments (cont'd)

After initial measurement, these receivables are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment. The Company has no financial assets in its books.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. The Company has not designated any financial assets upon initial recognition at fair value through profit or loss.

Fair value through other comprehensive income (FVTOCI)

Financial assets at fair value through other comprehensive income includes assets that are not held for trading but to collect contractual cash flows and through the sale of the financial assets.

The Company has not designated any financial assets upon initial recognition at fair value through other comprehensive income.

(ii) Subsequent measurement

Amortised cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. The effective interest method is a method of calculating the amortised cost of an instrument and of allocating interest income over the relevant period. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss.

For financial assets (other than assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the instrument, or, where appropriate, a shorter period, to the gross carrying amount of the instrument on initial recognition. For credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the instrument on initial recognition.

Notes to the financial statements

3. Summary of material accounting policies (cont'd)

3.3 .1 Financial instruments (cont'd)

Trade receivable

Trade receivables are recognised initially at fair value as the invoice amount and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the trade receivable is impaired. The Company deploys age analysis tools to track the payment pattern of customers. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively; the amount of provision is recognised in profit or loss within 'other operating expenses'. The carrying amount of trade receivable are reduced through the use of an allowance account. When trade receivables are uncollectible, it is written off as 'other operating expenses' in profit or loss. Subsequent recoveries of amounts previously written off are included in other operating income.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, call deposits and other short term highly liquid investments with an original maturity of three months or less, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts. Cash and cash equivalents are measured at amortised cost.

(iii) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Exchange differences are recognised in profit or loss in the 'finance cost' line item except for equity instruments measured at FVTOCI, which exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

(iv) Impairment of financial assets - Expected credit losses

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. The Company applies the simplified approach which uses a provision matrix to measure the expected credit loss of trade receivables.

The Company recognises a loss allowance for expected credit losses at each reporting date to reflect changes in credit risk. The expected credit losses on these financial assets are estimated using a provision matrix based on the historical credit loss experience. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Notes to the financial statements

3. Summary of material accounting policies (cont'd)

3.3.1 Financial assets (cont'd)

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account.

Allowance for impairment of trade receivable

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month expected credit loss ('ECL') is used to provide for impairment loss, otherwise lifetime ECL is used. However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Write off

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. Any write-off/recoveries made are recognised in profit or loss.

(v) **Financial assets – Derecognition**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires 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

- the Company has transferred substantially all the risks and rewards of the asset, or
- 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. 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. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Notes to the financial statements

3. Summary of material accounting policies (cont'd)

3.3.2 Financial liabilities and equity – classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(a) **Equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(b) **Financial liabilities**

All financial liabilities are recognised initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs. The subsequent measurement of financial liabilities is at amortised cost using effective interest method or at Fair value through profit or loss (FVTPL).

(i) **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognised in other operating expenses in profit or loss.

(ii) **Financial liabilities measured at amortised cost**

All other financial liabilities of the Company including trade payables and interest bearing loans and borrowings are measured at amortised cost subsequently using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest bearing loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in profit or loss.

Notes to the financial statements

3. Summary of material accounting policies (cont'd)

3.3 Financial instruments (cont'd)

3.3.2 Financial liabilities and equity – classification as debt or equity (cont'd)

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(b) **Financial liabilities (cont'd)**

(iii) **Financial guarantee contract liabilities**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. The Company has no such contract liabilities.

(iv) **Foreign exchange gains and losses on financial liabilities**

Financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'finance cost' line item in profit or loss. For financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

(v) **Financial liabilities de-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Notes to the financial statements

3. Summary of material accounting policies (cont'd)

3.3.3 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.4 Derivative financial instruments - Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The resulting gain or loss is recognised in profit or loss immediately.

3.5 Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date with resulting exchange difference recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting).

3.8 Revenue recognition

Revenue is measured based on the consideration expected to be received in a contract with a customer and excludes amounts collected on behalf of third parties. In an agency relationship, the Company assesses its revenue arrangements against specific criteria, i.e. whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. The Company is however yet to commence operations.

Notes to the financial statements

3. Summary of material accounting policies (cont'd)

3.9 Taxation

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

Current tax and deferred tax is recognised as an expense or income in profit or loss, except to the extent that it relates to items credited or debited directly to equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it also excludes 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 reporting date. The payment made in excess/ (shortfall) of the income tax obligation for the respective periods are recognised in the statement of financial position under income tax assets/income tax liabilities, respectively.

Any interest, related to accrued liabilities for potential tax assessments are not included in income tax charge or (credit), but are rather recognised within finance costs.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable or based on expected value approach, as applicable and are presented within current tax liabilities. The assessment is based on the judgement of tax professionals within the company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, the deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Notes to the financial statements

3. Summary of material accounting policies (cont'd)

Deferred tax assets, recognised and unrecognised, are reviewed at each reporting date and assessed for recoverability based on best estimates of future taxable profits.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity.

Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- i) When the value added tax incurred on a purchase of assets or services is not recoverable from the tax authority, is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ii) When receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.10 Borrowing costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. The Company capitalises borrowing costs on qualifying assets that takes more than one year to get ready for use. All other borrowing costs are expensed in the year they are incurred.

3.11 Provisions and contingencies

(a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) 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 amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the financial statements

3. Summary of material accounting policies (cont'd)

(b) Contingencies

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote. Where the Company makes contributions into a separately administered fund for restoration, environmental or other obligations, which it does not control, and the Company's right to the assets in the fund is restricted, the obligation to contribute to the fund is recognised as a liability where it is probable that such additional contributions will be made.

3.12 Earnings per share

The Company's Earnings per Share ('EPS') is determined based on the net income attributable to the shareholders. Basic earnings per share are computed using the weighted average number of shares outstanding during the period.

3.13 Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets, classified as financial assets at fair value through profit or loss, interest income is recognised using the Effective Interest Rate (EIR), which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in 'finance income' in the statement of comprehensive income.

4.1 Judgements

Under IFRS, the directors have adopted those accounting policies most appropriate to the Company's circumstances for the purpose of presenting a true and fair view of the Company's financial position, financial performance and cash flows. In determining and applying accounting policies, judgement is often required in respect of items where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the Company should it later be determined that a different choice would be more appropriate.

Deferred tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with any future tax planning strategies. Refer to Note 10 for the disclosure of deferred tax assets recognition.

Notes to the financial statements

4.2 Estimates and assumptions

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(a) Impairment of non-financial assets

Non-financial assets include majorly intangible assets. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(b) Taxation provisions

The Company's current tax provision relates to management's assessment of the amount of tax payable as at the reporting date based on the Company's performance during the financial year.

Notes to the financial statements

5. Adoption of new and revised standards

5.1 Standards that became effective on 1 January 2024

No new International Financial Reporting Standard (IFRS) issued during the year is applicable to the Company applied. Amendment to existing IFRS's have been applied by the Company as required, however, these amendments do not have any material impacts on the company's financial statements.

The list of newly issued amendments is as follows

5.1.1 Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's financial statements.

5.1.2 Amendments to IAS 1 - Classification of Liabilities as Current or Non-current

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments do not have an impact on the classification of the Company's liabilities

5.1.3 Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments do not have an impact on the on the Company's liabilities as operations is yet to commence

Notes to the financial statements

5.2 Standards issued but not yet effective

The standards and interpretations that are issued and not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. These pronouncements have been issued by IASB, but are not yet effective:

5.2.1 Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so. When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

Notes to the financial statements

5. Adoption of new and revised standards (continued)

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the company anticipate that the application of these amendments may have an impact on the company's financial statements in future periods.

5.2.2 IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share. IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the company anticipate that the application of these amendments may have an impact on the company's financial statements in future periods.

5.2.3 IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it. An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

Notes to the financial statements

5. Adoption of new and revised standards (continued)

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The directors of the company do not anticipate that IFRS 19 will apply to the company's financial statements in future periods.

Notes to the financial statements

6 Revenue from operations

The Company has not commenced business operations, hence there is no revenue and cost of sales recorded for the period

7 Administrative expenses

This relates to costs and expenses incidental to the incorporation of the Company and other fees incurred in operating in Nigeria. Expenses incurred in the reporting period is captured below:

	2024
	USD
Professional Fees	137,244
Audit fees	2,345
	<u>139,589</u>

The company shall not declare or pay dividend on its shares until it has completely written-off all its preliminary expenses. Expenses include the incorporation cost of the company

Nextra Africa Data (Nigeria) FZE has not engaged Deloitte for any other services apart from the audit services for the year 2024

Notes to the financial statements

8. Intangibles

Intangible asset under development represents Management, Technical and Know-how services rendered by Airtel Africa Services (UK) Limited, its intermediate parent, in relation to the ongoing Data centre Project. The Data centre is currently at the design stage with planned project completion in last quarter of Year 2026.

	Intangible asset under development USD	Total USD
Cost		
Additions	309,605	309,605
As at 31 December 2024	309,605	309,605
Accumulated amortization		
Amortisation	-	-
As at 31 December 2024	-	-
Carrying amount		
As at 31 December 2024	309,605	309,605

9. Receivables from Shareholders

Receivables from Shareholders USD1million relates to the amount receivable from Shareholders for authorised shares, fully issued while payment is expected to be received in less than 12 months.

10 Taxation

(a) Tax expense

The company's operations is within the Free Zone Enterprise, hence does not qualify tax in line with provision of Companies Income Tax Act. The Company is yet to commence business operations, therefore no assessable profit for the period.

	2024 USD
Income tax	-
Education tax	-
Deferred tax expense/(benefit)	-
	-

(b) Reconciliation of effective tax rate

	2024 USD	%
Loss before tax	(139,589)	
Income tax using statutory tax rate	(41,877)	30
Deferred tax not recognised	41,877	30
	-	-

Notes to the financial statements

10 Taxation (Continued)

(c) Movement in Income tax payable

	2024 USD
Balance as at 1 January	-
Charge for the period:	
Income tax	-
Education tax	-
	-
Payments during the period	-
Balance as 31 December	-

(d) The movement on the deferred taxation asset/ (liabilities) account was as follows:

	2024 USD
Balance at 1 January	-
Movement during the period (expenses)/benefit	-
Balance at 31 December	-

Deferred tax assets/(liabilities) are attributable to the following:

Unutilised losses	41,877
Net deferred tax assets	41,877

11. Share capital

	2024 USD
Authorised:	
1,000,000 ordinary shares of 1USD each	1,000,000
Issued Shares	
1,000,000 ordinary shares of 1USD each	1,000,000
Subscribed and unpaid shares	
1,000,000 ordinary shares of 1USD each	1,000,000

Share capital represents subscribed and unpaid share capital.

Notes to the financial statements

12 Other Payables

	2024 USD
Intercompany Payables	446,849
Audit Fees	2,345
Other Payables	<u>449,194</u>

Intercompany payables represent amount due to Airtel Networks Limited in respect of preliminary expenses paid on behalf of NXTRA AFRICA DATA (NIGERIA) FZE

			Transaction value 2024	Balance payable 2024
Name	Nature of transaction	Relationship	USD	USD
Airtel Networks Limited	Incorporation fees/other services	Sister company	137,244	137,244
Airtel Africa Services (UK) Limited	Management and Technical Services	Parent Company	309,605	309,605
			<u>446,849</u>	<u>446,849</u>

13 Segment reporting

The Company carries out its operations entirely in Nigeria which is considered one geographical segment. Based on the scope of IFRS 8, the Company does not have publicly traded instruments. Accordingly, no operating segment information is presented.

14 Going concern

The financial statements have been prepared on the basis that the Company will continue as a going concern. As at 31 December 2024, the Company is yet to commence operations.

15 Information relating to employees

The Company had no employees during the period.

16 Contingent liabilities and Contingent assets

As at 31 December 2024, the Company had no contingent liabilities and contingent asset.

17 Events after the balance sheet date

No events or transactions have occurred since the balance sheet date which would have a material effect on the financial statements as at period ended 31 December 2024.

This is the first financial statement of the company and therefore previous year comparative figures are not applicable and accordingly not mentioned.

OTHER NATIONAL DISCLOSURES

Value Added Statement

	2024 USD	%
Revenue	-	
Bought-in-materials and services		
- Local	(139,589)	
-Imported	-	
Value added by operating activities	(139,589)	
<i>Non trading items:</i>		
Other income	-	
Finance income	-	
Value Added	(139,589)	100
Applied as follows:		
To pay employees' salaries, wages and fringe benefits	-	-
To pay providers of capital - interest	-	-
Current taxation	-	-
Deferred Tax	-	-
Loss sustained	(139,589)	100
Value Added	(139,589)	100

The value-added statement represents the wealth created through the efforts of the Company and its employees, and the distribution of created wealth amongst various interest groups.

Financial Summary

	2024 USD
<u>Assets employed</u>	
Assets	1,309,605
Liabilities	<u>(449,194)</u>
	<u>860,411</u>
<u>Funds employed</u>	
Share capital	1,000,000
Retained earnings	<u>(139,589)</u>
Shareholders' funds	<u>860,411</u>
<u>Statement of profit or loss and other comprehensive income</u>	
Revenue	-
Profit (Loss) before taxation	(139,589)
Profit (Loss) after taxation	<u>(139,589)</u>
Total comprehensive profit (loss) for the period	<u>(139,589)</u>

Earnings per share is based on the Company's profit after taxation and on the number of ordinary shares issued and fully paid at the end of each financial period.