

**TotalEnergies EP Nigeria CPFA Limited**  
**Annual Report**  
**For the year ended 31 December 2024**

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## Corporate information

**Registration Number:** RC 434041

<b>Directors:</b>	<b>Nationality</b>	<b>Date Appointed/(Resigned)</b>	<b>Position</b>
Frederick Asasa		17th August 2024	Chairman
Oluwaseun Orimolade			Director
Oluwole Oladimeji			Director
Olutola Mobolurin			Independent Director
Evi Ifekwe		(17th August 2024)	(Chairman)
Victor Ibeawuchi		(28th October 2024)	(Director)
Anthony Abolarin			Director
Benjamin Okorie-Agidi			Managing Director
Celine Brasquet	French		Director
Kenechi Esomeju			Director

**Company Secretary:**

Ayodele Afolabi  
35. Kofo Abayomi Street  
Victoria Island, Lagos

**Registered and Principal Office:**

35. Kofo Abayomi Street  
Victoria Island, Lagos

**Auditor:**

Ernst & Young  
10th and 13th Floors, UBA House,  
57 Marina, Lagos

**Principal Banker:**

GT Bank Limited  
47, Trans-Amadi Industrial Layout  
Port-Harcourt  
Rivers State

**Solicitors:**

**Templars**  
5th Floor, The Octagon, 13A A.J.  
Marinho Dr  
Lagos

**Jackson, Etti & Edu**  
RCO Court, 3-5 Sinari Daranijo  
Street,  
Off Ajoye Adeogun,  
Victoria Island, Lagos

**Olaniwun Ajayi LP**  
The Adunola, Plot L2 Banana Island,  
Ikoyi, Lagos

**Banwo and Ighodalo**  
Afri-Investment House,  
50 Aguiyi Ironsi Street,  
Maitama, Abuja

**Solana and Akpana**  
12 Igbodo Street, Old G.R.A.  
Port Harcourt, Nigeria

**Tax Identification Number:**

01576540-0001

## Directors' report

*For the year ended 31 December 2024*

The directors present their annual report on the affairs of TotalEnergies EP Nigeria CPFA Limited ("the Company"), together with the financial statements and auditor's report for the year ended 31 December 2024.

### Legal form and principal activity

TotalEnergies EP Nigeria CPFA Limited was incorporated as a private limited liability company on 8 November 2001 and it commenced operations on 6 March 2002. The Company is duly licensed by the National Pensions Commission (PenCom) as a Closed Pension Fund Administrator (CPFA) in accordance with the amended Trust Deed and Regulation set up in 2001 by the scheme sponsor, TotalEnergies EP Nigeria (TEPNG) subject to the provisions of the Pension Reform Act 2014 (PRA 2014).

The Company acts as the sole trustee in administering the affairs of the TotalEnergies EP Nigeria Staff (Non-Contributory) Pension Fund (the "Fund"), a Scheme domiciled in Nigeria and registered in Nigeria under the Pension Reforms Act 2014 as amended. The address of the Company's registered office is No. 35 Kofo Abayomi Street, Victoria Island Lagos.

### Statement of corporate governance

TotalEnergies EP Nigeria CPFA Limited is committed to being an effective and accountable Company and its Board of Directors recognise the role of a proper governance framework and effective guidelines and procedures, policies and processes in the efficient administration of the Company towards the achievement of its objectives. A Statement of Corporate Governance Guidelines has been established in line with the regulatory framework established by the National Pension Commission (PenCom) and demonstrates TotalEnergies EP Nigeria CPFA Limited's commitment to applying best business practices and ethical standards in all aspects of its operations.

### Operating results

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

*In Nigerian Naira*

	<b>31 Dec 2024</b>	<b>31 Dec 2023</b>
Loss before income tax	(436,998)	(4,865,526)
Income tax	(21,016,864)	(95,157)
Minimum tax expense	-	(1,319,341)
Loss after tax	(21,453,862)	(6,280,024)
Accumulated loss, beginning of year	(333,354,408)	(327,074,384)
Accumulated loss, end of year	<b>(354,808,270)</b>	<b>(333,354,408)</b>
Loss Per Share	(2.15)	(0.63)

### Directors and their interests

The directors who served during the year were as follows:

<b>Name</b>	<b>Position</b>	<b>Date Appointed/(Resigned)</b>	<b>Nationality</b>
Frederick Asasa	Chairman	17th August 2024	
Oluwaseun Orimolade	Director		
Oluwole Oladimeji	Director		
Olutola Mobolurin	Independent Director		
Evi Ifekwe	(Chairman)	(17th August 2024)	
Victor Ibeawuchi	(Director)	(28th October 2024)	
Anthony Abolarin	Director		
Benjamin Okorie-Agidi	Managing Director		
Celine Brasquet	Director		French
Kenechi Esomeju	Director		

In accordance with the disclosure requirements of Section 301 of the Companies and Allied Matters Act, 2020, the directors do not have interests in the Company.

In accordance with Section 303 of the Companies and Allied Matters Act, 2020, none of the directors has notified the Company of any declarable interests in contracts with the Company.

### Dividend

The Board of directors did not propose any dividend for the current year (2023: nil).

## Directors' report

For the year ended 31 December 2024 - Continued

### Shareholding structure

In Nigerian Naira

	2024		2023	
	No. of shares	%	No. of shares	%
TotalEnergies EP Nigeria Limited (TEPNG)	9,900,000	99%	9,900,000	99%
TotalEnergies Upstream Nigeria Limited	100,000	1%	100,000	1%
	<b>10,000,000</b>	<b>100%</b>	<b>10,000,000</b>	<b>100%</b>

### Property & equipment

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

### Charitable Donations

The Company made no donation to charitable organisations during the year (2023: Nil). In accordance with Section 43 (2) of the Companies and Allied Matters Act 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year (2023: Nil)

### Events after the reporting date

Refer to Note 27 to the financial statements for disclosure relating to events subsequent to the reporting date.

### Employment and Employees

The Company had 18 (2023: 14) employees in the year. Other officers of the Company are employees of companies within the TotalEnergies Group seconded to the Company.

The directors (with the exception of Mr. Anthony Abolarin who is a representative of the Retirees and Mr. Olutola Mobolurin, who is an independent Director) are full time employees of companies within the TotalEnergies Group.

The Company's policy on employment of physically challenged persons, training and welfare of employees are outlined below:

#### (a) Employment of physically challenged persons

In accordance with its policy of providing employment opportunities to all citizens without discrimination, the Company's employment application form is framed in such a way that only the applicant's personal data and educational qualifications are stated. Equal opportunity is given to all applicants. The Company had no physically challenged persons in its employment as at 31 December 2024 (2023: nil).

#### (b) Employees Health, Safety and Welfare

The Company places a high premium on the health, safety and welfare of its employees at their place of work. Respect for the environment and safeguarding of assets are essential to the efficient operations of the Company's activities. The Company keeps employees informed about any inherent risks and hazards on assignments and trains employees in all aspects of health, safety and environment matters. The Company provides staff welfare schemes, which are comparable to similar schemes in other companies. The Company maintains an insured Healthcare Scheme through which medical treatment is available to all employees.

#### (c) Employee Consultation and Training

The Company is committed to keeping the employees informed, as far as possible regarding the Company's performance and progress. Opinions and suggestions of staff members are sought and considered not only on matters affecting them as employees but also on general business of the Company. The Company places a high premium on the development of its manpower. Consequently, training programs are tailored to suit the requirements of both employees and the Company.

### Auditors

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

BY ORDER OF THE BOARD



Ayodele AFOLABI (FRC/2020/002/00000020582)  
Secretary to the Board  
Lagos, Nigeria

25th April, 2025.

### Statement of Directors' responsibilities in relation to the preparation of the Financial Statements

The Companies and Allied Matters Act, 2020 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss and other comprehensive income. The responsibilities include ensuring that the Company:


- keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company, and comply with the requirements of the Companies and Allied Matters Act 2020, the Pension Reform Act of Nigeria, 2014, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.
- establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities and;
- prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, the Pension Reform Act of Nigeria, 2014 and the National Pension Commission (PENCOM) guidelines and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

The Directors are of the opinion that the financial statements give a true and fair view of the financial position and the financial performance of the Company as of and for the year ended 31 December 2024. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

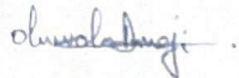
SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

  
\_\_\_\_\_  
Signature

Benjamin Okorie-Agidi (Managing Director)  
\_\_\_\_\_  
Name

FRC/2023/PRO/DIR/003/159369  
\_\_\_\_\_  
FRC Number

25th April, 2025.  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Signature

Oluwale Oladimeji (Director)  
\_\_\_\_\_  
Name

FRC/2023/PRO/ICAN/002/535230  
\_\_\_\_\_  
FRC Number

25th April, 2025.  
\_\_\_\_\_  
Date




## Statement of Corporate Responsibility for the Financial Statements

Further to the provisions of section 405 of the Companies and Allied Matters Act, 2020, we, the undersigned, hereby certify the following with regards to our audited financial statements for the year ended December 31, 2024 that:

- (i) We have reviewed the report and to the best of our knowledge, the report does not contain:
- Any untrue statement of a material fact, or
  - Omission to state a material fact, which would make the statements, misleading in the light of circumstances under which such statements were made;
  - To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the years presented in the report.
- (ii) We
- are responsible for establishing and maintaining internal controls.
  - have designed such internal controls to ensure that material information relating to the Company is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
  - have evaluated the effectiveness of the Company's internal controls as of date of the report;
  - have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- (iii) We have disclosed to the auditor of the Company
- all significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
  - Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

  
Signature

Benjamin Okorie-Agidi (Managing Director)  
Name

FRC/2023/PRO/DIR/003/159369  
FRC Number

25th April, 2025.  
Date

  
Signature

Olawale Temitope Olasoji (Chief Financial Officer)  
Name

FRC/2024/PRO/ICAN/001/100105  
FRC Number

25th April, 2025.  
Date



**TotalEnergies EP Nigeria CPFA Limited**

**Certification on Management's Report on the Assessment of Internal Control Over Financial Reporting as at 31st December 2024.**

I, Benjamin OKORIE-AGIDI, certify that:

- a) I have reviewed the Management's Report on the Assessment of Internal Control Over Financial Reporting as at 31st December 2024, of TotalEnergies EP Nigeria CPFA Limited;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- d) The company's other certifying officer(s) and I:
  - 1) are responsible for establishing and maintaining internal controls;
  - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, is made known to us by others, particularly during the period in which this report is being prepared;
  - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 4) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
  - 1) There were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - 2) There were no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.
- f) The company's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Signature: \_\_\_\_\_

Name: Benjamin OKORIE-AGIDI

Designation: Managing Director

FRC/2023/PRO/DIR/003/159369

Date: 25<sup>th</sup> April 2025.

TOTALENERGIES EP NIGERIA CPFA LIMITED - RC No. 434041

Registered Office: 35 Kofo Abayomi Street, Victoria Island, P.O. Box 927, Lagos.

Telephone : +234 (0) 1 2776233

Directors: F. Asasa (Chairman), B. Okorie-Agidi (Managing Director), O. Orimolade, A. Abolanni, O. Mobolurin (Independent), V. Ibeawuchi, O. Oladimeji, K. Esonmiju and C. Brasquet





**TotalEnergies EP Nigeria CPFA Limited**

**Certification on Management's Report on the Assessment of Internal Control Over Financial Reporting as at 31st December 2024.**

I, **Olawale OLASOJI**, certify that:

- a) I have reviewed the Management's Report on the Assessment of Internal Control Over Financial Reporting as at 31st December 2024, of TotalEnergies EP Nigeria CPFA Limited;
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- d) The company's other certifying officer(s) and I:
  - 1) are responsible for establishing and maintaining internal controls;
  - 2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the company, is made known to us by others, particularly during the period in which this report is being prepared;
  - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - 4) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control system, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
  - 1) There were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - 2) There were no fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control system.
- f) The company's other certifying officer(s) and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

**Signature:** \_\_\_\_\_

**Name:** Olawale OLASOJI

**Designation:** Chief Financial Officer

**FRC/2024/PRO/ICAN/001/100105**

**Date:** 25<sup>th</sup> April 2025.

**TOTALENERGIES EP NIGERIA CPFA LIMITED - RC No. 434041**

**Registered Office:** 35 Kofo Abayomi Street, Victoria Island, P.O. Box 927, Lagos.

**Telephone :** +234 (0) 1 2776233.

**Directors:** F Asasa (Chairman), B Okorie-Agidi (Managing Director), O Orimolade, A Abolarin, O Mobolurin (Independent), V Ibeawuchi, O Oladimeji, K Esomeju and C Brasquet.



**TotalEnergies EP Nigeria CPFA Limited**

## **MANAGEMENT ASSESSMENT REPORT**

### **Management's Report on the Assessment of Internal Control Over Financial Reporting as at 31st December 2024.**

Management of TotalEnergies EP Nigeria CPFA Limited ("the Company") is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance to management and the board of directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

TotalEnergies EP Nigeria CPFA Limited's system of internal control over financial reporting is supported with written policies and procedures, contains self-monitoring mechanisms, and is audited by the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and, therefore, can provide only reasonable assurance as to the reliability of financial statement preparation and such asset safeguarding.

Management has assessed the effectiveness of its internal control over financial reporting as at 31 December 2024. In making this assessment, management used the COSO 2013 "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management believes that, as at 31 December 2024, the Company's internal control over financial reporting is designed and operating effectively. Additionally, based upon management's assessment, the Company determined that there were no material weaknesses in its internal control over financial reporting as at 31 December 2024.

The effectiveness of the Company's internal control over financial reporting as of 31 December 2024, has been reviewed by Ernst and Young, an independent registered public accounting firm.

**Benjamin OKORIE-AGIDI**

Managing Director

FRC/2023/PRO/DIR/003/159369

**Olawale OLASOJI**

Chief Financial Officer

FRC/2024/PRO/ICAN/001/100105

**TOTALENERGIES EP NIGERIA CPFA LIMITED - RC No. 434041**

Registered Office: 35 Kofo Abayomi Street, Victoria Island, P.O. Box 927, Lagos

Telephone : +234 (0) 1 2776233

Directors: F. Asasa (Chairman), B. Okorie-Agidi (Managing Director), O. Oromofade, A. Abolarin, O. Mobolurin (Independent), V. Ibeawuchi, O. Oladimeji, K. Esonmeju and C. Brasquet

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

### **To the Members of TotalEnergies EP Nigeria CPFA Limited**

#### **Scope**

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

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

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

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

#### **Criteria applied by TotalEnergies EP Nigeria CPFA Limited**

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

## **Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting - Continued**

### **TotalEnergies EP Nigeria CPFA Limited's management responsibilities**

TotalEnergies EP Nigeria CPFA Limited's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying TotalEnergies EP Nigeria CPFA Limited's *Management's Assessment of the Internal Control over Financial Reporting as of 31 December 2024* in accordance with the Criteria.

### **Our responsibilities**

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

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

### **Our independence and quality management**

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

We also apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement, and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Description of procedures performed**

The procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting

### **Conclusion**

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



## **Independent Auditor's Attestation Report on Management's Assessment of Internal Control over Financial Reporting - Continued**

### ***Other Matter***

We also have audited, in accordance with the International Standards on Auditing, the financial statements for the year ended 31 December 2024 of TotalEnergies EP Nigeria CPFA Limited and we expressed an unmodified opinion in our Auditor's report dated 30 April 2025 . Our conclusion is not modified in respect of this matter.

Kanayo Echena  
*FRC/2012/PRO/ICAN/004/00000000150*

For Ernst & Young  
Lagos, Nigeria  
30 April 2025



## Independent Auditor's Report

### *To the Members of TotalEnergies EP Nigeria CPFA Limited*

## Report on the Audit of the Financial Statements

### **Opinion**

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of TotalEnergies EP Nigeria CPFA Limited as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Pension Reform Act, 2014, the National Pension Commission (PENCOM) guidelines and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

### **Basis for Opinion**

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

### **Other Information**

The Directors are responsible for the other information. The other information comprises the information included in the document titled "TotalEnergies EP Nigeria CPFA Limited Annual Report for the year ended 31 December 2024", which includes the Report of the Directors, Statement of Directors' Responsibilities in Relation to the Preparation of the Financial Statements, Statement of Corporate Responsibility for the Financial Statements, and Other National Disclosures. The other information does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, 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.

## Independent Auditor's Report - Continued

### ***Responsibilities of the Directors for the Financial Statements***

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, 2020, the Pension Reform Act, 2014, the National Pension Commission (PENCOM) guidelines and in compliance with the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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.

## Independent Auditor's Report - Continued

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### *Report on Other Legal and Regulatory Requirements*

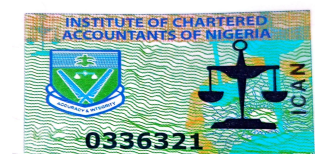
In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

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

We performed a limited assurance engagement and reported on management's assessment of the Company's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting, and we have issued an unmodified conclusion in our report dated 30 April 2025.

Kanayo Ekena  
FRC/2012/PRO/ICAN/004/00000000150

For Ernst & Young  
Lagos, Nigeria  
30 April 2025



## Statement of profit or loss and other comprehensive income

For the year ended 31 December 2024

In Nigerian Naira


	Note	2024	2023
Revenue	8	-	-
Other income	9	112,548,638	76,086,414
Finance income	10	2,878,929	1,727,400
<b>Total income</b>		<b>115,427,568</b>	<b>77,813,814</b>
Impairment expenses	11	(5,903,441)	(995,417)
Depreciation	12	(64,038,925)	(40,454,608)
Amortization	13	(36,146,240)	(41,229,315)
Other Expense	14	(9,775,960)	-
<b>Operating expenses</b>		<b>(115,864,566)</b>	<b>(82,679,340)</b>
<b>Loss before minimum tax and income tax</b>		<b>(436,998)</b>	<b>(4,865,526)</b>
Minimum tax	15(a)	-	(1,319,341)
Income tax	15(a)	(21,016,864)	(95,157)
<b>Loss for the year</b>		<b>(21,453,862)</b>	<b>(6,280,024)</b>
Other comprehensive income for the year, net of income tax		-	-
<b>Total Comprehensive loss for the year</b>		<b>(21,453,862)</b>	<b>(6,280,024)</b>
Loss Per Share		(2.15)	(0.63)


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

**Statement of financial position**  
**As at 31 December 2024**

<i>In Nigerian Naira</i>	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>Assets</b>			
Cash and cash equivalents	19	2,608,032,831	230,911,560
Prepayment and other receivables	18	312,707,623	1,304,490,673
Property and equipment	16	87,473,574	137,197,644
Intangible assets	17	182,573,961	57,820,503
<b>Total assets</b>		<b>3,190,787,989</b>	<b>1,730,420,380</b>
<b>Equity</b>			
Share capital	20	10,000,000	5,000,000
Accumulated losses	21	(354,808,270)	(333,354,408)
Special reserve	22	786,740,113	606,749,601
<b>Total equity</b>		<b>441,931,844</b>	<b>278,395,193</b>
<b>Liabilities</b>			
Other liabilities	23	2,733,850,561	1,450,610,689
Tax liabilities	15	15,005,584	1,414,498
<b>Total liabilities</b>		<b>2,748,856,145</b>	<b>1,452,025,187</b>
<b>Total equity and liabilities</b>		<b>3,190,787,989</b>	<b>1,730,420,380</b>

These financial statements were approved by the Board of Directors on 25th April 2025 and signed on its behalf by:

  
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\_\_\_\_\_

Benjamin Okorie-Agidi (Managing Director)  
FRC/2023/PRO/DIR/003/159369

Oluwale Oladimeji (Director)  
FRC/2023/PRO/ICAN/002/535230

Additionally certified by

  
\_\_\_\_\_

Olawale Temitope Olosoji (Chief Financial Officer)  
FRC/2024/PRO/ICAN/001/100105

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



## Statement of changes in equity

As at 31 December 2024

<i>In Nigerian Naira</i>	Share capital	Accumulated losses	Special reserve	Total equity
Balance at 1 January 2023	5,000,000	(327,074,384)	517,055,786	194,981,402
Loss for the year	-	(6,280,024)	-	(6,280,024)
<b>Equity before owners contribution</b>	<b>5,000,000</b>	<b>(333,354,408)</b>	<b>517,055,786</b>	<b>188,701,378</b>
Contribution by owners of the company**	-	-	89,693,815	89,693,815
<b>Balance at 31 December 2023</b>	<b>5,000,000</b>	<b>(333,354,408)</b>	<b>606,749,601</b>	<b>278,395,193</b>
Balance at 1 January 2024	5,000,000	(333,354,408)	606,749,601	278,395,193
Loss for the year	-	(21,453,862)	-	(21,453,862)
<b>Equity before owners contribution</b>	<b>5,000,000</b>	<b>(354,808,270)</b>	<b>606,749,601</b>	<b>256,941,331</b>
Additional share capital	5,000,000	-	(5,000,000)	-
Contribution by owners of the company**	-	-	184,990,513	184,990,513
<b>Balance at 31 December 2024</b>	<b>10,000,000</b>	<b>(354,808,270)</b>	<b>786,740,113</b>	<b>441,931,844</b>

\*\*Contributions by owner represents amounts spent on capital expenditures.

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

**Statement of cash flows**  
**For the year ended 31 December 2024**

*In Nigerian Naira*

	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>			
Loss before tax		(436,998)	(4,865,526)
<i>Adjustments for:</i>			
Unrealised exchange difference		(17,320,147)	11,701,581
Impairment expenses	11	5,903,442	995,417
Depreciation	12	64,038,925	40,454,608
Amortization	13	36,146,240	41,229,315
Intangible Writeoff	17	9,775,960	-
		<b>98,107,421</b>	<b>89,515,395</b>
Changes in Working Capital:			
- Decrease/(Increase) in prepayment and other receivables		986,123,287	(1,252,701,941)
- Increase in Other liabilities		1,283,239,872	1,001,053,371
Income tax paid	15(b)	(7,425,778)	(11,514,875)
<b>Net cash generated from/(used in) operating activities</b>		<b>2,360,044,802</b>	<b>(173,648,050)</b>
Net increase/(decrease) in cash and cash equivalents		2,360,044,802	(173,648,050)
Cash and cash equivalents, beginning of year		230,911,560	416,261,191
Effect of exchange rate fluctuations on cash held		17,320,147	(11,701,581)
Cash and cash equivalents, end of year	19	<b>2,608,276,509</b>	<b>230,911,560</b>

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

## Notes to the financial statements

### For the year ended 31 December 2024

#### 1 Reporting Entity

TotalEnergies EP Nigeria CPFA Limited was incorporated as a private limited liability company on 8 November 2001 and it commenced operations on 6 March 2002. The Company acts as the sole trustee in administering the affairs of the TotalEnergies EP Nigeria Staff (Non-Contributory) Pension Fund (the “Fund”), a Scheme domiciled in Nigeria and registered in Nigeria under the Pension Reforms Act 2014 as amended. The address of the Company’s registered office is No. 35 Kofo Abayomi Street, Victoria Island Lagos.

Under the terms and conditions of the Trust Deed setting up the Company as sole trustee, whilst the Company shall administer the affairs of the Pension Fund, TotalEnergies EP Nigeria Limited shall reimburse it of all the expenses incurred in administering the Pension Fund.

#### 2 Basis of Preparation

##### (a) Statement of Compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act, 2020, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, the Pension Reform Act, 2014 and National Pension Commission (PENCOM) guidelines.

The financial statements were authorised for issue by the board of directors on 25th April 2025.

##### (b) Basis of Measurement

These financial statements have been prepared on a historical cost basis except for where otherwise stated.

##### (c) Functional and Presentation Currency

The financial statements are presented in Nigreia Naira (NGN), which is the functional and presentation currency of the Company.

##### (d) Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements, and the reported revenue and costs during the relevant period.

Management bases its judgments and estimates on historical experience and various other factors that are believed to be appropriate and reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

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

#### 3 Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

##### (a) Foreign currency

###### *Foreign currency transactions and balances*

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

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

## Notes to the financial statements

### For the year ended 31 December 2024 - Continued

#### 3 Material Accounting Policies - Continued

##### (b) Financial Instrument

###### (i) Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or a financial liability is initially measured at fair value minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

###### (ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured: amortized cost; FVOCI - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial assets not classified at amortized cost or FVOCI, as described above, are measured at fair value through profit or loss (FVTPL). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

###### (ii) Classification and subsequent measurement

###### • Financial assets - Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

###### • Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

## Notes to the financial statements

### For the year ended 31 December 2024 - Continued

#### 3 Material Accounting Policies - Continued

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

##### • *Financial assets – Subsequent measurement and gains and losses*

###### *Financial assets at amortized cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Cash and cash equivalents, receivable from parent company (TEPNG) and other receivables are included in this category.

##### • *Financial liabilities – Classification, subsequent measurement and gains and losses*

Financial liabilities are measured at amortised cost subsequent to initial recognition, using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### (iii) Derecognition

##### **Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

##### **Financial liabilities**

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

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### iv) • **Offsetting**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends to either settle on a net basis or to realise the asset and settle the liability simultaneously.

#### (c) **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.



## Notes to the financial statements

### For the year ended 31 December 2024 - Continued

#### 3 Material Accounting Policies - Continued

##### (d) Property, plant and equipment

Items of property and equipment are measured at historical cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognised net within other income in profit or loss.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset on a straight-line basis over its estimated useful life as follows:

##### Asset category

Computer equipment	33%
Motor vehicle	25%
Office equipment	33%

Depreciation method, useful life and residual value are reviewed for each reporting date and adjusted if appropriate.

Upon disposal of any item of property and equipment or when no future economic benefits are expected to flow from its use, such items are derecognised from the books. Gains and losses on disposal of assets are determined by comparing proceeds with their carrying amount and are recognised in profit or loss in the year of de-recognition.

##### (e) Special reserve

This represents non-reciprocal capital contributions made to the Company by TotalEnergies EP Nigeria Limited for the purpose of acquiring property, plant & equipment. This is recognised directly in equity.

##### (f) Share capital

###### Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

##### (g) Impairment

###### Non-derivative financial assets

###### (i) Financial instruments

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost. The loss allowances for receivables are always measured at an amount equal to lifetime ECLs.

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

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

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 60 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

## Notes to the financial statements

### For the year ended 31 December 2024 - Continued

#### 3 Material Accounting Policies - Continued

##### (g) Impairment - continued

###### Measurement of ECLs

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

###### Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

###### Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

###### Write-off

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

###### Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

## Notes to the financial statements

### For the year ended 31 December 2024 - Continued

#### 3 Material Accounting Policies - Continued

##### (h) Sponsor re-imbursements

###### Cost re-imbursements

The Company's sponsor reimburses the Company for all expenses incurred during the financial year, excluding depreciation and amortisation.

The Cost re-imbursement is presented net of general administrative expenses and personnel expenses thereby resulting in a nil effect on the financial statements.

##### (i) Finance income

Finance income comprises interest income on funds invested, dividend income and foreign currency gains. Interest income is recognised as it accrues, using the effective interest method. Dividend income is recognised on the date that the Company's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, and foreign currency losses. All borrowing costs are recognised in profit or loss using the effective interest method, except for borrowing costs related to the acquisition, construction and production of qualifying assets which are recognised as part of the cost of such assets. Foreign currency gains and losses are reported on a net basis.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. 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 amortized 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 amortized 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 amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

##### (j) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date (determined in accordance with the applicable tax laws), and any adjustment to tax payable in respect of previous years.

Income tax expense comprises current tax (company income tax, tertiary education tax and Nigeria Police Trust Fund levy) and deferred tax. Income tax expense is recognised in profit or loss.

The Company is subject to Company income tax under the Companies Income Tax Act as amended to date and tertiary education tax based on the assessable income under the Tertiary Education Trust Fund Act.

Total amount of tax payable under CITA is determined based on the higher of two components namely: Company Income Tax (based on taxable income (or loss) for the year; and Minimum tax (based on 0.5% of the qualifying company's gross turnover less franked investment income). In previous years, minimum tax was determined based on the sum of the highest of 0.25% of revenue of N500,000, 0.5% of gross profit, 0.25% of paid up share capital and 0.5% of net assets; and 0.125% of revenue in excess of N500,000. Taxes based on taxable profit for the period are treated as income tax in line with IAS 12: Income taxes; whereas Minimum tax which is based on a gross amount is outside the scope of IAS 12: Income taxes and therefore not presented in the income tax expense line item in profit or loss.

Where the minimum tax charge is higher than the Company Income Tax, a hybrid tax situation exists. In this situation, the CIT is recognized in the income tax expense line in profit or loss and the excess amount is presented above the income tax line as Minimum tax.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following taxable temporary differences:

- the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and
- temporary differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

## Notes to the financial statements

### For the year ended 31 December 2024 - Continued

#### 3 Material Accounting Policies - Continued

##### (j) Income tax - Continued

Deferred tax assets are recognised for unused tax losses, unused tax credit and deductible temporary differences to the extent that it is probable that future tax profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits adjusted for reversal of existing temporary difference are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

##### (k) 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, including office space. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

##### (l) Employee benefits

###### Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

###### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

##### (m) Intangible assets

The cost of an intangible asset with a finite useful life is amortised to profit or loss on a straight line basis over its estimated useful life. Amortisation begins when the asset is available for use. Amortisation ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. After initial recognition, intangible assets with finite useful lives are carried at cost less any accumulated amortisation and impairment losses.

Subsequent expenditure on intangible assets with finite useful lives is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. The company's Intangible asset represents accounting software with estimated useful life of 3 years.

Gains and losses on disposal of item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognised net within other income in profit or loss.

Assets under construction are stated at cost which includes cost of materials and direct labour and any costs incurred in making them available for use.

Intangible asset represents accounting software with estimated useful life of 3 years.

The cost of an intangible asset with a finite useful life is amortised to profit or loss on a straight line basis over its estimated useful life.

Amortisation begins when the asset is available for use. Amortisation ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised.

After initial recognition, intangible assets with finite useful lives are carried at cost less any accumulated amortisation and impairment losses.

Subsequent expenditure on intangible assets with finite useful lives is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Gains and losses on disposal of item of intangible assets are determined by comparing the proceeds from disposal with the carrying

Notes to the financial statements

For the year ended 31 December 2024 - Continued

4 New standards and interpretations effective in the current year

Standards and interpretations effective for the first time for 31 December 2024 year end are as follows:

Pronouncement	Summary of requirements and assessment of impact	Effective date
International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12	<p>The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later.</p> <p>In May 2023, the Board issued amendments to IAS 12 Income Taxes, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as ‘Pillar Two legislation’ and ‘Pillar Two income taxes’, respectively.</p> <p>The amendments require an entity to disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. An entity is required to separately disclose its current tax expense (income) related to Pillar Two income taxes, in the periods when the legislation is effective. The amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity’s exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.</p>	These amendments had no impact on the financial statements of the Company.
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1	<p>Effective for annual periods beginning on or after 1 January 2024.</p> <p>In January 2020 and October 2022, the Board issued amendments to IAS 1 Presentation to Financial Statements to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:</p> <ul style="list-style-type: none"> <li>• What is meant by a right to defer settlement</li> <li>• That a right to defer settlement must exist at the end of the reporting period</li> <li>• That classification is unaffected by the likelihood that an entity will exercise its deferral right</li> <li>• 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</li> <li>• Disclosures</li> </ul> <p>Right to defer settlement</p> <p>The Board decided that if an entity’s right to defer settlement of a liability is subject to the entity complying with the required covenants only at a date subsequent to the reporting period (“future covenants”), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. Furthermore, the Board specified that the requirements in paragraph 72B of IAS 1 apply only to liabilities arising from loan arrangements.</p>	These amendments had no impact on the financial statements of the Company.



Notes to the financial statements

For the year ended 31 December 2024 - Continued

4 New standards and interpretations effective in the current year - Continued

Pronouncement	Summary of requirements and assessment of impact	Effective date
<i>Lease Liability in a Sale and Leaseback – Amendments to IFRS 16</i>	<p>Effective for annual periods beginning on or after 1 January 2024.</p> <p>In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 Leases specifies 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. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16.</p> <p>The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy in accordance with IAS 8 that results in information that is relevant and reliable.</p>	These amendments had no impact on the financial statements of the Company.
<i>Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7</i>	<p>Effective for annual periods beginning on or after 1 January 2024.</p> <p>In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which 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.</p> <p>The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.</p> <p>The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.</p>	These amendments had no impact on the financial statements of the Company.

## Notes to the financial statements

### For the year ended 31 December 2024 - Continued

#### 5 Standards and interpretations issued but not yet effective

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

The Company has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

Pronouncement	Summary of requirements	Assessment of Impact
Lack of exchangeability -Amendment to IAS 21	<p>In August 2023, the International Accounting Standards Board (IASB) amended IAS 21 to clarify:</p> <ul style="list-style-type: none"> <li>• when a currency is exchangeable into another currency; and</li> <li>• how a company estimates a spot rate when a currency lacks exchangeability.</li> </ul> <p>A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate. A company's objective when estimating a spot rate is only that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.</p> <p>Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:</p> <ul style="list-style-type: none"> <li>• the nature and financial impacts of the currency not being exchangeable;</li> <li>• the spot exchange rate used;</li> <li>• the estimation process; and risks to the company because the currency is not exchangeable</li> </ul>	<p>The Company do not expect the amendments to have a significant impact on the its financial statements. The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.</p>
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	<p>In May 2024, the Board issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), which:</p> <ul style="list-style-type: none"> <li>• Clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met</li> <li>• Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features</li> <li>• Clarifies the treatment of non-recourse assets and contractually linked instruments</li> <li>• Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.</li> </ul>	<p>This is applied to annual reporting periods beginning on or after 1 January 2026 and can be applied earlier. The impact will not be material on the Company.</p>
IFRS 1 First-time Adoption of International Financial Reporting Standards - Hedge Accounting by a First-time Adopter	<p>Paragraphs B5 and B6 of IFRS 1 have been amended to include cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of IFRS 9. These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.</p>	<p>An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. The amendments will have no impact on the Company's financial statements.</p>

Notes to the financial statements

For the year ended 31 December 2024 - Continued

5 Standards and interpretations issued but not yet effective - Continued

Pronouncement	Summary of requirements	Assessment of Impact
IFRS 7 Financial Instruments: Disclosures - Gain or Loss on Derecognition	The amendments update the language on unobservable inputs in paragraph B38 of IFRS 7 and include a cross reference to paragraphs 72 and 73 of IFRS 13 Fair Value Measurement.	The impact will not be material on the Company. The entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.
Guidance on implementing IFRS 7 Financial Instruments: Disclosures - Disclosure of Deferred Difference between Fair Value and Transaction Price	<p>The amendments to paragraph IG1 of the Guidance on implementing IFRS 7 clarify that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of IFRS 7, nor does it create additional requirements.</p> <p>Paragraph IG14 of the Guidance on implementing IFRS 7 has been amended mainly to make the wording consistent with the requirements in paragraph 28 of IFRS 7 and with the concepts and terminology used in IFRS 9 and IFRS 13.</p> <p>Paragraph IG20B of the Guidance on implementing IFRS 7 has been amended to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example.</p>	This will have no impact on the Company. The standard will be effective from 1 January 2026.
IFRS 9 Financial Instruments - Lessee Derecognition of Lease Liabilities	<p>Paragraph 2.1 of IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply paragraph 3.3.3 and recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9.</p> <p>An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted Paragraph 5.1.3 of IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of IFRS 9.</p>	This will have no impact on the Company. The standard will be effective from 1 January 2026.
IFRS 18 – Presentation and Disclosure in Financial Statements	<p>In April 2024, the Board issued IFRS 18 Presentation and Disclosure in Financial Statements which replaces IAS 1 Presentation in Financial Statements. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.</p> <p>For the purposes of classifying its income and expenses into the categories required by IFRS 18, an entity will need to assess whether it has a 'main business activity' of investing in assets or providing financing to customers, as specific classification requirements will apply to such entities. Determining whether an entity has such a specified main business activity is a matter of fact and circumstances which requires judgement. An entity may have more than one main business activity.</p>	The amendments may require changes in revenue recognition, such as the timing and amount of revenue recognized and introduce new disclosure requirements, providing more transparency about revenue recognition, contract balances, and performance obligations.
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	<p>In May 2024, the Board issued IFRS 19 Subsidiaries without Public Accountability: Disclosures (IFRS 19), which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards.</p> <p>An entity applying IFRS 19 is required to disclose that fact as part of its general IFRS accounting standards compliance statement. IFRS 19 requires an entity whose financial statements comply with IFRS accounting standards including IFRS 19 to make an explicit and unreserved statement of such compliance.</p>	This will have no impact on the Company. The standard is effective 1 January 2027.

Notes to the financial statements

For the year ended 31 December 2024 - Continued

<p>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28</p>	<p>The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.</p> <p>The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.</p>	<p>This will have no impact on the Company. The standard is effective 1 January 2027.</p>
<p>Power Purchase Agreements - Amendments to IFRS 9 and IFRS 7</p>	<p>In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendments include:</p> <ul style="list-style-type: none"> <li>- Clarifying the application of the 'own-use' requirements</li> <li>- Permitting hedge accounting if these contracts are used as hedging instruments</li> <li>- Adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.</li> </ul>	<p>This will no impact on the Company. The standard is effective 1 January 2026.</p>

## Notes to the financial statements

### For the year ended 31 December 2024 - Continued

#### 6 Risk Management Framework

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market

##### (a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from its parent company. Impairment loss on financial assets recognised in profit or loss during the year is N5.9 million (2023: N995,417).

##### 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.

<i>In Nigerian naira</i>	Note	2024	2023
Cash and cash equivalents	19	2,608,032,830	230,911,560
Receivables	18	38,161,331	1,234,796,119
		<b>2,646,194,161</b>	<b>1,465,707,679</b>

##### Cash and cash equivalent

The Company held cash and cash equivalents which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with a reputable financial institution in Nigeria, which currently has a stable rating outlook with a credit rating of B+ for the short-term issuer deposit rating (IDR) class. Based on Fitch ratings.

Impairment on cash and cash equivalents has been measured on a 12-month expected credit loss basis and reflects the short maturity of the exposures. The company considers that its cash and cash equivalent has low credit risk based on the external credit ratings of the counter party. No impairment allowance was recognised during the year. (2023: Nil)

##### Receivables

This comprises of vehicle loans given to members of staff, staff advance, cash advance and reimbursables due from TEPNG. The vehicle loans and staff advance are recovered through monthly deductions from staff salaries while the reimbursables due from TEPNG is paid by the Sponsor.

The Company's impairment loss during the period is N5.9 million (2023: N995,417) which was as a result of irrecoverable cash advance.

**Notes to the financial statements**  
**For the year ended 31 December 2024 - Continued**

**6 Risk Management Framework - 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 other financial asset. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The maturity profiles of the contractual cash flows of financial assets and liabilities at 31 December 2024 were as follows:

<i>In Nigerian Naira</i>	<b>Carrying amount</b>	<b>Contractual cashflow</b>	<b>3 months or less</b>	<b>Above 3 months</b>
<b>Financial Assets</b>				
Cash and cash equivalents	2,608,276,510	2,608,276,510	2,608,276,510	-
Staff car loan	422,012	11,971,941	1,350,000	10,621,941
Staff/ Cash Advance	1,936,644	1,936,644	1,936,644	-
Reimbursables due from TEPNG	41,462,438	41,462,438	41,462,438	-
<b>Total</b>	<b>2,652,097,603</b>	<b>2,663,647,533</b>	<b>2,653,025,592</b>	<b>10,621,941</b>
<b>Financial Liabilities</b>				
Other liabilities	2,618,038,665	2,618,038,665	2,618,038,665	-
<b>Total</b>	<b>2,618,038,665</b>	<b>2,618,038,665</b>	<b>2,618,038,665</b>	<b>-</b>

The maturity profiles of the contractual cash flows of financial assets and liabilities at 31 December 2023 were as follows:

<i>In Nigerian Naira</i>	<b>Carrying amount</b>	<b>Contractual cashflow</b>	<b>3 month or less</b>	<b>Above 3 months</b>
<b>Financial Assets</b>				
Cash and cash equivalents	230,911,560	230,911,560	230,911,560	-
Staff car loan	11,971,941	11,971,941	1,350,000	10,621,941
Staff/ Cash Advance	3,591,074	3,591,074	3,591,074	-
Reimbursables due from TEPNG	1,220,228,520	1,220,228,520	1,220,228,520	-
<b>Total</b>	<b>1,466,703,095</b>	<b>1,466,703,095</b>	<b>1,456,081,154</b>	<b>10,621,941</b>
<b>Financial Liabilities</b>				
Other liabilities	1,425,815,088	1,425,815,088	1,425,815,088	-
<b>Total</b>	<b>1,425,815,088</b>	<b>1,425,815,088</b>	<b>1,425,815,088</b>	<b>-</b>

**7 Market risk**

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads 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 optimizing the return on risk. The Company is not exposed to significant market risks.

The Company's strategy for the management of market risk is driven by the Company's investment objective. The Company's market risk is managed on a daily basis by the Investment Department in accordance with policies and procedures in place.

**Interest Rate Risks**

Interest Rate risk is the risk of loss to interest income arising from changes in interest rates. The Company carries some interest rate sensitive assets on its books, which are largely priced with fixed rates.

A substantial portion of the Company's financial instruments are non-interest-bearing with only cash and cash equivalents being directly subject to interest rate risk. Any excess cash and cash equivalents above immediate working capital requirements are invested in short-term deposits which are available at call to optimise returns. As a result, the Company is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

**Notes to the financial statements**  
**For the year ended 31 December 2024 - Continued**

**7 Market risk - Continued**

**Interest Rate Risks - Continued**

The interest rate profile of the Company's interest-bearing and non-interest bearing financial instruments as reported to the management of the Company is as follows:

**As at 31 December 2024**

<i>In Nigerian Naira</i>	<b>Non-interest bearing</b>	<b>Interest bearing (fixed)</b>	<b>Interest bearing (floating)</b>
<b>Financial Assets</b>			
Current account	-	2,102,861,752	-
Domiciliary account	393,432,327	-	-
Staff car loan	-	422,012	-
Reimbursement from TEPNG	35,802,676	-	-
Fixed deposit	-	111,982,431	-
<b>Total</b>	<b>429,235,003</b>	<b>2,215,266,194</b>	<b>-</b>

**As at 31 December 2023**

<i>In Nigerian Naira</i>	<b>Non-interest bearing</b>	<b>Interest bearing (fixed)</b>	<b>Interest bearing (floating)</b>
<b>Financial Assets</b>			
Current account	-	134,614,159	-
Domiciliary account	96,297,401	-	-
Staff car loan	-	11,971,941	-
Staff/ Cash Advance	2,595,657	-	-
Reimbursement from TEPNG	1,214,568,758	-	-
<b>Total</b>	<b>1,313,461,816</b>	<b>146,586,100</b>	<b>-</b>

**Currency risk**

The currency risk is the risk that the future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

In managing currency risk, the Company aims to reduce the impact of short-term fluctuations on earnings. The Company monitors the movement in the currency rates on an ongoing basis.

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

	<b>2024</b>	<b>2023</b>
	USD	USD
<b>Financial Asset</b>		
Cash and cash equivalents	255,766	106,158
	<b>255,766</b>	<b>106,158</b>

The following significant exchange rates applied during the year:

	<b>Average Rate</b>		<b>Year end spot rate</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
US Dollar	1,221.46	684.31	1,535.82	907.11

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Naira, as indicated below against the US dollar at 31 December would have affected the measurement of financial instruments denominated in a foreign currency and affected statement of profit or loss by the amounts shown below.

*In Nigerian naira*

	<b>Profit or loss and equity</b>	
	<b>Strengthening</b>	<b>Weakening</b>
31 December 2024		
USD (10% movement)	25,577	(25,577)
31 December 2023		
USD (10% movement)	10,616	(10,616)



**Notes to the financial statements**  
**For the year ended 31 December 2024 - Continued**

**Capital management**

The Company's operations is sponsored by contributions from the parent company, TotalEnergies EP Nigeria Limited and revenue from its investments.

The Company's objectives are to ensure a stable base to ensure payment of benefits to retirees when due, and to manage liquidity risk arising from these payments. The Company is not subject to any externally imposed capital requirements.

<i>In nigerian naira</i>	<b>2024</b>	<b>2023</b>
Total Liability	2,748,856,145	1,452,025,187
Less: Cash and Cash equivalent	(2,608,032,831)	(230,911,560)
<b>Net debt</b>	<b>140,823,314</b>	<b>1,221,113,627</b>
Total equity	441,931,844	278,395,193
<b>Net Debt to adjusted equity ratio</b>	<b>0.32</b>	<b>4.39</b>

**8 Revenue**

<i>In Nigerian Naira</i>	<b>2024</b>	<b>2023</b>
<i>Revenue</i>	-	-

The Company's cost of operation is reimbursed by the Sponsor TotalEnergies EP Nigeria Limited, these reimbursement are not considered revenue because the company does not charge a markup on these expenses as per the Trust deed between both Companies. See below for further details:

**8a Sponsor reimbursements**

<i>In Nigerian Naira</i>	<b>2024</b>	<b>2023</b>
Cost reimbursement	4,979,560,362	3,240,802,227
	<b>4,979,560,362</b>	<b>3,240,802,227</b>

This amount is determined at 100% of costs incurred (general administrative expenses and personnel expenses excluding depreciation and amortization) and is receivable from TotalEnergies EP Nigeria Limited.

Below is a summary of the cost incurred on general administrative expenses and personnel expenses

<i>In Nigerian Naira</i>	<b>2024</b>	<b>2023</b>
General administration expenses (Note 8b)	1,669,824,102	796,426,103
Personnel expenses (Note 8c)	3,309,736,259	2,444,376,124
	<b>4,979,560,362</b>	<b>3,240,802,227</b>

**Notes to the financial statements**  
**For the year ended 31 December 2024 - Continued**

**8b General administration expenses**

These represent expenses incurred in administering the TotalEnergies EP Nigeria Staff Non-Contributory Pension Fund during the year that are fully reimbursed by the sponsor base on the trust deed. These comprise:

	2024	2023
<i>In Nigerian naira</i>		
Office rent (i)	757,542,225	232,375,688
Office maintenance	186,755,902	121,338,619
Pension Protection Fund Levy	56,639,343	32,201,807
Credit risk rating & investment resource subscription	89,543,112	37,292,720
Road show/stakeholders forum	-	5,653,348
Corporate expenses	30,747,138	56,610,059
Director's fee (See note 8c(ii) below)	33,400,000	17,500,000
Internet service	9,827,108	7,834,391
Legal expenses	3,845,125	269,575
Software application maintenance	73,736,607	29,777,585
ICT installation service	1,919,326	1,322,057
ICT consumables	267,280	5,932,596
Software licence renewal	62,166,379	44,201,687
PENCOM/PENOP expenses	22,655,000	5,715,000
Off Site media storage	-	5,801,899
Scheme admin expenses	59,148,183	46,966,248
BoD & Committee meetings expense	18,753,917	23,295,055
Equipment maintenance	-	7,235,137
Director's development & training	32,048,192	4,023,750
Consultancy expenses	23,865,000	5,235,800
Audit fees	3,870,000	3,325,781
General office expense	40,684,182	7,256,104
Insurance	5,777,817	696,446
ICT Others	792,050	-
Stationeries & postages	688,493	1,274,475
Business & operational travel expenses	29,972,307	12,046,585
Meetings & business lunches	9,953,877	6,470,125
Journal's subscription, periodicals	861,550	309,800
Transportation expenses	1,883,242	1,334,300
Investment advisory expenses	2,437,500	11,000,000
Foreign exchange losses	79,605,180	1,989,840
Seminars & conferences	-	2,878,725
HSE expenses - office maintenance (other works)	-	152,000
Bank fees & Other Charges	7,651,798	1,148,331
Asset liability studies	22,786,270	55,960,570
	<b>1,669,824,102</b>	<b>796,426,103</b>

The audit fees relates to audit services carried out by the external auditors in the year. During the year, the external auditors rendered non-audit services relating to an audit of Internal Control over Financial Reporting (ICFR) (2023: Transfer pricing review). The service was approved by the Audit Committee and did not impair the auditors' independence at a sum of N7,000,000 (2023: N2,000,000).

No.	Non Audit Services	Partner	Year
1.	Audit of Internal Control over Financial Reporting (ICFR)	Kanayo Echena	2024
2.	Transfer Pricing	Sandra Momah	2023

(i) Office rent is classified as short-term lease; with a lease term of 12 months. The lessee does not hold the option to extend the period automatically.

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

8c Personnel expenses

	2024	2023
<i>In Nigerian naira</i>		
Cost of seconded staff (see note (iii) below)	2,291,035,482	1,285,521,966
Basic salary	177,651,274	128,677,149
Performance bonus	197,904,233	556,705,333
Housing allowance	62,285,019	52,979,678
Staff Lunch	61,228,394	37,317,446
Transport allowance	45,975,093	33,481,910
Pension costs	28,452,432	21,398,748
Service contract salaries and expenses	113,710,905	43,163,078
Utility allowance	22,330,762	16,262,644
Other staff expenses	63,464,583	130,856,528
Leave allowance	14,794,400	11,757,600
13th Month allowance	19,542,600	13,076,198
Medical expense	27,611,068	14,560,000
Staff training expenses	155,633,317	70,901,024
Furniture allowance	6,446,449	5,371,118
Group life assurance	6,499,213	7,852,862
Industrial training fund	61,716	29,083
National Social Insurance Trust Fund	8,170,512	3,286,058
Overtime Allowance	-	910,350
Club membership and subscription	3,425,626	3,306,202
Delegation Allowance	3,513,181	3,768,240
Group Personal Accident Insurance	-	3,192,909
	<b>3,309,736,259</b>	<b>2,444,376,124</b>

Employee benefits are classified as follows;

<i>In Nigerian naira</i>	2024	2023
Short-term employment benefits	3,281,283,827	2,422,977,376
Employers' pension contribution	28,452,432	21,398,748
	<b>3,309,736,259</b>	<b>2,444,376,124</b>

The personnel cost represents cost incurred by the Company on salaries and allowances of its direct staff and staff of its parent company (TotalEnergies EP Nigeria Limited) seconded to the Company during the year. The salary, allowances and all related taxes of all staff were fully reimbursed by the parent company.

- (i) The number of employees of the Company other than the directors who received emolument in the following ranges (excluding pension contributions) were:

	2024	2023
₦12,000,001 - ₦14,000,000	-	1
₦14,000,001 - ₦15,000,000	-	2
₦15,000,001 - ₦16,000,000	4	2
₦16,000,001 and above	14	9
	<b>18</b>	<b>14</b>

(ii) Directors' remuneration

Directors' remuneration paid during the year is analysed as follows:

<i>In Nigerian naira</i>	2024	2023
Director's fees	4,700,000	4,000,000
Directors' allowance	28,700,000	13,500,000
	<b>33,400,000</b>	<b>17,500,000</b>

The directors' remuneration shown above includes:

<i>In Nigerian naira</i>	2024	2023
Chairman	-	-
Highest paid director	4,700,000	5,000,000
	<b>4,700,000</b>	<b>5,000,000</b>

(iii) Cost of seconded staff

Cost of seconded staff represents cost incurred by the Company on salaries and allowances of staff of its parent company (TotalEnergies EP Nigeria Limited) seconded to the Company during the year. The salary, allowances and all related taxes of the seconded staff were paid by the parent company and charged back to the Company at cost.

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

<b>9 Other Income</b>		<b>2024</b>	<b>2023</b>
<i>In Nigerian</i>			
Insurance Claim	100,000	-	
Exchange gain	112,448,638	76,004,114	
Gain on disposal of asset	-	82,300	
	<b>112,548,638</b>	<b>76,086,414</b>	
<b>10 Finance income</b>		<b>2024</b>	<b>2023</b>
<i>In Nigerian naira</i>			
Interest Income	2,878,929	1,727,400	
	<b>2,878,929</b>	<b>1,727,400</b>	
Finance income represents interest earned during the year on bank balances.			
<b>11 Impairment expenses</b>		<b>2024</b>	<b>2023</b>
<i>In Nigerian naira</i>			
Other receivables	5,903,441	995,417	
	<b>5,903,441</b>	<b>995,417</b>	
<b>12 Depreciation</b>		<b>2024</b>	<b>2023</b>
<i>In Nigerian naira</i>			
Computer equipment (Note 16)	52,542,918	36,516,292	
Motor vehicles (Note 16)	-	2,136,094	
Office equipment (Note 16)	11,496,007	1,802,221	
	<b>64,038,925</b>	<b>40,454,608</b>	
<b>13 Amortization</b>		<b>2024</b>	<b>2023</b>
<i>In Nigerian naira</i>			
Amortization - Intangibles (Note 17)	<b>36,146,240</b>	<b>41,229,315</b>	
<b>14 Other expense</b>		<b>2024</b>	<b>2023</b>
<i>In Nigerian naira</i>			
Intangible Asset Write-off	<b>(9,775,960)</b>	<b>-</b>	
<b>15 Taxation</b>			
<b>(a) Current tax expense</b>		<b>2024</b>	<b>2023</b>
<i>In Nigerian naira</i>			
<b>Minimum tax</b>			
Current year minimum tax	-	1,319,341	
Current year minimum tax	-	<b>1,319,341</b>	
Company income tax for the year	11,542,757	73,198	
Underprovision for prior year	6,011,280	-	
Tertiary education tax for the year	3,462,827	21,959	
	<b>21,016,864</b>	<b>95,157</b>	
	<b>21,016,864</b>	<b>1,414,498</b>	
<b>(b) Movement in tax payable balance</b>		<b>2024</b>	<b>2023</b>
<i>In Nigerian naira</i>			
Balance, beginning of year	1,414,498	11,514,875	
Minimum tax	-	1,319,341	
Company income tax	11,542,757	73,198	
Tertiary education tax for the year	3,462,827	21,959	
Underprovision for prior year	6,011,280	-	
Payment during the year	(7,425,778)	(11,514,875)	
Balance end of year	<b>15,005,584</b>	<b>1,414,498</b>	
<b>Effective Tax Rate Reconciliation</b>			
<i>In Nigerian naira</i>		<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>	
Loss before tax	(436,998)	(4,865,526)	
Income tax using statutory tax rate	33% (144,209)	33% (1,605,623)	
Minimum tax	0% -	-27% 1,319,341	
Other deferred tax asset not recognised	-1691% 7,390,821	-26% 1,262,299	
Prior year tax under provision	-1376% 6,011,280	- -	
Non-deductible expenses	-1776% 7,758,972	-9% 438,481	
<b>Total tax expenses</b>	<b>-4809% 21,016,864</b>	<b>-17% 1,414,498</b>	
<b>(c) Unrecognised deferred tax assets</b>			

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

**Notes to the financial statements**  
**For the year ended 31 December 2024 - Continued**

Unrecognised deferred tax asset is attributable to the following:

*In Nigerian naira*

	<b>2024</b>		<b>2023</b>	
	<u>Gross Amount</u>	<u>Tax Impact</u>	<u>Gross Amount</u>	<u>Tax Impact</u>
Property & Equipment	252,745,157	75,823,547	195,801,519	58,740,456
Foreign Exchange	(105,374,631)	(34,773,628)	(76,004,114)	(25,081,358)
<b>Balance, end of year</b>	<b>147,370,526</b>	<b>41,049,919</b>	<b>119,797,405</b>	<b>33,659,098</b>

**16 Property, plant and equipment**

*(a) Reconciliation of carrying amount*  
*In Nigerian naira*

	<b>Computer Equipment</b>	<b>Motor Vehicles</b>	<b>Office Equipment</b>	<b>Total</b>
<b>Cost:</b>				
Balance at 1 January 2023	230,065,628	17,088,750	33,588,027	280,742,405
Addition	68,416,346	-	21,277,469	89,693,815
Disposal	(48,882,066)	-	-	(48,882,066)
Balance at 31 December 2023	<b>249,599,908</b>	<b>17,088,750</b>	<b>54,865,496</b>	<b>321,554,154</b>
Balance at 1 January 2024	249,599,908	17,088,750	54,865,496	321,554,154
Addition	1,823,175	-	19,876,750	21,699,925
Disposal	(7,385,069)	-	-	(7,385,069)
Balance at 31 December 2024	<b>244,038,014</b>	<b>17,088,750</b>	<b>74,742,246</b>	<b>335,869,010</b>
<b>Accumulated depreciation and impairment:</b>				
Balance at 1 January 2023	146,763,692	14,952,655	31,067,621	192,783,968
Depreciation for the year	36,516,292	2,136,095	1,802,221	40,454,608
Disposal for the year	(48,882,066)	-	-	(48,882,066)
Balance at 31 December 2023	<b>134,397,918</b>	<b>17,088,750</b>	<b>32,869,842</b>	<b>184,356,512</b>
Balance at 1 January 2024	134,397,918	17,088,750	32,869,842	184,356,511
Depreciation for the year	52,542,918	-	11,496,007	64,038,925
Balance at 31 December 2024	<b>186,940,836</b>	<b>17,088,750</b>	<b>44,365,850</b>	<b>248,395,436</b>
<b>Carrying amounts:</b>				
At 31 December 2023	115,201,990	-	21,995,654	137,197,644
At 31 December 2024	<b>57,097,178</b>	<b>-</b>	<b>30,376,396</b>	<b>87,473,574</b>

**(b) Security and Capital commitments**

At 31 December 2024, the company had no properties pledged as security. (2023: Nil).  
The Company had no capital commitment at year end.(2023: Nil)

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

17 Intangible asset

*In Nigerian naira*

**Cost:**

	Software	Work-in-progress	Total
Balance at 1 January 2023	213,222,884	9,775,960	222,998,844
Additions	-	-	-
Write-off	-	-	-
Balance at 31 December 2023	<b>213,222,884</b>	<b>9,775,960</b>	<b>222,998,844</b>
Balance at 1 January 2024	213,222,884	9,775,960	222,998,844
Additions	1,468,158	169,207,500	170,675,658
Write-off	-	(9,775,960)	(9,775,960)
Balance at 31 December 2024	<b>214,691,042</b>	<b>169,207,499</b>	<b>383,898,541</b>

**Accumulated amortization and impairment:**

Balance at 1 January 2023	123,949,025	-	123,949,025
Amortization charge for the year	41,229,315	-	41,229,315
Balance at 31 December 2023	<b>165,178,340</b>	-	<b>165,178,340</b>
Balance at 1 January 2024	165,178,340	-	165,178,340
Amortization charge for the year	36,146,240	-	36,146,240
Balance at 31 December 2024	<b>201,324,580</b>	-	<b>201,324,580</b>

**Carrying amounts:**

At 31 December 2023	<b>48,044,544</b>	<b>9,775,960</b>	<b>57,820,503</b>
At 31 December 2024	<b>13,366,462</b>	<b>169,207,499</b>	<b>182,573,961</b>

The work-in-progress represents the cost incurred in the acquisition and installation of BAMS software. The Installation was still ongoing as at reporting date and as such, the software is not yet available for use.

18 Prepayment and other receivables

*In Nigerian naira*

	2024	2023
Prepayment	274,546,292	69,694,554
Other receivables	38,161,331	1,234,796,119
	<b>312,707,623</b>	<b>1,304,490,673</b>

18.1 Prepayments

*In Nigerian naira*

	2024	2023
Employee benefit	160,652,000	29,536,000
Prepaid subscription fees	113,894,292	40,158,554
	<b>274,546,292</b>	<b>69,694,554</b>

The employee benefit relates to the status car given to members of senior management which is to be amortised over a period of five years as agreed with the staff.

The prepaid subscription fees are mainly subscriptions paid on licenses for software in use by the Company.

18.2 Other receivables

*In Nigerian naira*

Staff advance	1,936,644	995,417
Cash advance	-	2,595,657
Staff car loan	422,012	11,971,941
Reimbursables due from TEPNG	41,462,438	1,220,228,520
	43,821,093	1,235,791,535
Impairment allowance	(5,659,762)	(995,417)
	<b>38,161,331</b>	<b>1,234,796,119</b>

Impairment allowance relates to irrecoverable staff advance.

Information on the Company's exposure to credit risks are disclosed in Note 6(a).

18.3 Impairment movement

*In Nigerian naira*

	2024	2023
Opening Balance	(995,417)	-
Additions	(5,659,762)	(995,417)
Write-off	995,417	-
Closing Balance	<b>(5,659,762)</b>	<b>(995,417)</b>

**Notes to the financial statements**  
**For the year ended 31 December 2024 - Continued**

**19 Cash and cash equivalents**

*In Nigerian naira*

	2024	2023
Current account	2,102,861,752	134,614,159
Domiciliary account	393,432,327	96,297,401
Fixed deposit - Gratuity	111,982,431	-
Cash and cash equivalent as per cashflow	<b>2,608,276,510</b>	<b>230,911,560</b>
ECL allowance on fixed deposit	(243,679)	-
	<b>2,608,032,831</b>	<b>230,911,560</b>

Information on the Company's exposure to credit risks and currency risk are disclosed in Note 6(a).

**20 Share Capital**

*In Nigerian naira*

	2024	2023
Issued and Fully paid		
10,000,000 Ordinary Shares of ₦1 each (2023: 5,000,000)	5,000,000	5,000,000
Additional share issue	5,000,000	-
	<b>10,000,000</b>	<b>5,000,000</b>

In September 2024 the Company registered additional shares with CAC, these shares were capitalized from the Company's reserves to issue 5,000,000 ordinary shares of ₦1 each via a board resolution dated 28 June 2024.

All shares rank equally to the Company's assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

**21 Accumulated losses**

*In Nigerian naira*

	2024	2023
Opening balance	333,354,408	327,074,384
Loss for the year	21,453,862	6,280,024
<b>Closing balance</b>	<b>354,808,270</b>	<b>333,354,408</b>

Accumulated losses represents the current year recognised income net of expenses plus prior period result attributable to shareholders.

**22 Special reserve**

*In Nigerian naira*

	Note	2024	2023
Balance at 1 January		606,749,601	517,055,786
Additions - Property and equipment	16	14,314,856	89,693,815
Additions - Intangible assets	17	170,675,658	-
Additional share capital	22 (i)	(5,000,000)	-
Balance at 31 December		<b>786,740,115</b>	<b>606,749,601</b>

This represents non-reciprocal capital contributions made to the Company by TotalEnergies EP Nigeria Limited for the purpose of acquiring property & equipment. The additions during the year represents the net amount on acquisition of property & equipment and intangible assets.

- (i) Additional share capital brought in by the sponsor to regularize the Company's share capital as required by Corporate Affairs Commission.

**23 Other liabilities**

*In Nigerian naira*

	2024	2023
Accruals (See note (a) below)	926,451,006	1,003,566,130
Other creditors (See note (b) below)	939,046,361	100,277,541
Reimbursables due to TotalEnergies EP Nigeria Limited(See note (c) below)	752,541,298	321,971,417
<b>Financial liabilities</b>	<b>2,618,038,665</b>	<b>1,425,815,088</b>
Deposit for service charge	3,829,465	19,077,113
Statutory deduction	111,982,431	5,718,488
	<b>2,733,850,561</b>	<b>1,450,610,689</b>

Information on the Company's exposure to liquidity risks are disclosed in note 6(b).

- (a) Accruals represent accruals for statutory obligations and operational expenses.  
(b) Other creditors represents payable to the Company's vendors in respect of office maintenance , IT services and IT consumables.  
(c) Reimbursable to TEPNG in respect of unutilized cash call.

**24 Capital Commitments**

There were no capital expenditure contracted for during the year.



**Notes to the financial statements**  
**For the year ended 31 December 2024 - Continued**

**25 Contingencies**

As at 31 December 2024, the Company had no contingent assets or liabilities arising from litigation or any other business activity.

**26 Related parties**

**(a) Parent and ultimate controlling party**

As at the year ended 31 December 2024, TotalEnergies EP Nigeria Limited (TEPNG) owned 99% of issued share capital of TotalEnergies EP Nigeria CPFA Limited. The ultimate parent Company is TEPNG, an entity incorporated in Nigeria.

**(b) Remuneration of key management personnel comprise:**

The key management personnel of the Company comprise Directors of the Company.

*In Nigerian naira*

Directors' remuneration (Note 8c(ii))

2024	2023
<b>33,400,000</b>	<b>17,500,000</b>

**(c) TotalEnergies EP Nigeria Staff Non-Contributory Pension Fund**

The Company acts as a sole trustee and administrator of the affairs of TotalEnergies EP Nigeria Staff Non-Contributory Pension Fund.

The cost of providing the service is reimbursed at cost by TotalEnergies EP Nigeria Limited, the Sponsor to the Fund.

The Company also occupies a portion of the Fund's property for which the Company paid rent of N757 million for the year (2023: N232m).

The company has no balance due to TotalEnergies EP Nigeria staff non-contributory pension fund as at year end (2023: Nil).

**(d) TotalEnergies EP Nigeria Limited**

TotalEnergies EP Nigeria Limited (TEPNG) provides financial support to the Company by reimbursing all costs incurred by the Company in administering the Pension Fund. No interest is charged on the cost reimbursed. Total expenses re-invoiced to TEPNG during the year amounted to ₦4.91b (2023: ₦3.24b).

TEPNG also seconded some of its employees to the Company, the secondee cost for the year amounted to ₦2.327b (2023: ₦1.286b).

Balance due to Total E&P Nigeria Limited as at 31 December 2024 amounted to N0.868 (2023: Nil).

**27 Pension assets under management**

As at 31 December 2024, the aggregate amount of funds under management by the Company which are not included in the statement of financial position is N636.3 billion (2023: N474.39 billion).

**28 Events after reporting date**

There was no event after the reporting date which could have a material effect on the state of affairs of the Company as at 31 December 2024 or the profit or loss and other comprehensive income for the year then ended.

## **Other national disclosures**

**Value Added Statement**  
**For the year ended 31 December 2024**

*In Nigerian Naira*

	<u>2024</u>	<u>%</u>	<u>2023</u>	<u>%</u>
Revenue	115,427,568	116	77,813,814	100
Bought-in-materials and services:				
- local	(15,679,401)	(16)	(995,417)	-
	<u>99,748,166</u>	<u>100</u>	<u>76,818,397</u>	<u>100</u>
Distribution:				
<b>To Government:</b>				
- Government as taxes	21,016,864	21	1,414,498	2
<b>Retained in the business:</b>				
- For replacement of property and equipment - depreciation	64,038,925	64	40,454,607	53
- Amortisation	36,146,240	36	41,229,315	54
- To deplete reserves	(21,453,862)	(21)	(6,280,024)	(8)
	<u>99,748,166</u>	<u>100</u>	<u>76,818,397</u>	<u>100</u>

*This statement represents the distribution of the wealth created through the use of the Company's assets through its own and its employees' efforts.*

## Five year financial summary

<i>In Nigerian Naira</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Total income	115,427,568	77,813,814	3,431,178	2,313,355	5,947,446
Loss before income tax	(436,998)	(4,865,526)	(69,442,535)	(45,224,797)	(40,242,535)
Loss after tax	<b>(21,453,863)</b>	<b>(6,280,024)</b>	<b>(81,005,816)</b>	<b>(49,949,195)</b>	<b>(44,692,128)</b>
<b>Assets employed:</b>					
Non-current assets	270,047,535	195,018,147	187,008,255	127,353,975	141,437,454
Net current assets	171,884,309	83,377,046	7,973,147	16,105,251	18,516,295
Net Assets	<b>441,931,844</b>	<b>278,395,193</b>	<b>194,981,402</b>	<b>143,459,226</b>	<b>159,953,749</b>
<b>Financed by:</b>					
Share capital	10,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Accumulated losses	(354,808,270)	(333,354,408)	(327,074,384)	(246,068,568)	(196,119,373)
Special reserve	786,740,114	606,749,601	517,055,786	384,527,794	351,073,122
Shareholders' funds	<b>441,931,844</b>	<b>278,395,193</b>	<b>194,981,402</b>	<b>143,459,226</b>	<b>159,953,749</b>