

TANTALIZERS PLC

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2024

ABIODUN AINA & CO

(Chartered Accountants)

TANTALIZERS PLC

FINANCIAL STATEMENTS, 31 DECEMBER 2024

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Report of the independent auditors to the members of TANTALIZERS PLC

Opinion

We have audited the financial statements of Tantalizers Plc ["the entity"] which comprise the statement of financial position as at 31st December, 2024 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 11 to 28

In our opinion, the accompanying financial statements give a true and fair view of the state of the financial position of the entity as at 31st December 2024, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards [IFRSs] and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards of 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 entity in accordance with the Institute of Chartered Accountants of Nigeria (ICAN) Professional Code of Conduct and Guide for Accountants and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants [Parts A and B]. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

During the year under review, the hitherto un-issued 1,788,372,094 ordinary shares of 50 kobo each were taken up by a new investor - Messrs Food Specialities Limited at the rate of N0.60 per share thereby moving the paid-up share capital to N2,500,000,000. = from N1,605,813,953 as of December 31, 2023.



Information Other than the Financial Statements and Audit Report thereon

The Directors are responsible for the other information. The other information comprises of Result at a glance, Notice of Annual General Meeting, Chairman's Statement, Company Profile, Report of Corporate Governance, Board of Directors' pictures, Report of the Directors, Statement of Quality, Environment, Health and Safety, Statement of value added, Five year financial summary and Proxy Form but does not include the financial statements and our audit report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 on this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of the financial statements that give true and fair view in accordance with International Financial Reporting Standards [IFRSs] and in the manner required by the Companies and Allied Matters Act, 2020 and the Financial Reporting Council of Nigeria Act, 2011, 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 caused by fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibility for the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatements, whether caused by 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 statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether caused by 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of 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 entity'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 entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial statements.

We are responsible for the direction, supervision and performance of the entity's audit. We remain solely responsible for our audit opinion.

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

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



Report on Other Legal and Regulatory Requirements

The Companies and Allied Matters Act, 2020 requires that in carrying out our audit work we consider and report on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of accounts have been kept by the entity, so far as appears from our examination of those books; and
- iii) the statements of financial position and comprehensive income of the entity are in agreement with the books of accounts.

Ishola A. Eniola

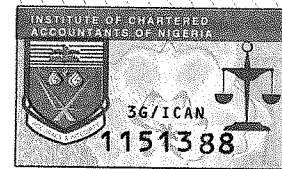
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For: Abiodun Aina & Co

Chartered Accountants

Lagos, Nigeria

27th February, 2025



TANTALIZERS PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 N	2023 N
System revenue	3	<u>2,902,588,052</u>	<u>2,638,888,992</u>
Revenue	3	1,198,497,681	1,165,828,192
Cost of sales		(773,334,566)	(742,370,704)
Gross profit		425,163,115	423,457,488
Other income	4	123,289,785	152,018,325
Distribution costs	5	(3,147,414)	(15,111,981)
Write backs	6	90,615,451	107,774,868
Administrative expenses		(825,852,587)	(847,720,187)
Operating loss		(189,931,650)	(179,581,487)
Finance cost	7a	(69,661,692)	(105,325,163)
Loss before taxation	8	(259,593,342)	(284,906,650)
Taxation	9a	(5,992,488)	(5,829,141)
(Loss) after taxation		(265,585,830)	(290,735,791)
Earning per share (basic) - kobo	10	(5)	(8)
Earning per share (diluted) - kobo		(5)	(8)

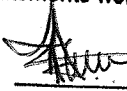

The notes on pages 11 to 28 form an integral part of these financial statements

TANTALIZERS PLC

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

ASSETS	Notes	2024 N	2023 N
Non current assets			
Property, plant and equipment	11	1,742,739,019	1,836,725,016
Long term receivables	13	88,285,545	94,312,500
		<u>1,831,024,564</u>	<u>1,931,037,516</u>
Current assets			
Inventories	12	67,833,360	40,955,186
Trade and other receivables	13	203,717,611	214,306,408
Short term investments	14a	19,975,000	39,950,000
Short term investments	14b	594,158,209	-
Cash and cash equivalents	15	236,887,280	23,921,300
		<u>1,122,571,460</u>	<u>319,132,894</u>
Total assets		<u>2,953,596,025</u>	<u>2,250,170,410</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16(b)	2,500,000,000	1,605,813,953
Share premium	17	2,249,914,608	2,071,077,399
Revaluation reserve	18	938,335,517	938,335,517
Retained earnings - deficit	19	(4,518,174,939)	(4,252,589,108)
		<u>1,170,075,186</u>	<u>362,637,761</u>
Deposit for shares	20	-	-
Shareholders' fund		<u>1,170,075,186</u>	<u>362,637,761</u>
Liabilities			
Current liabilities			
Trade and other payables	20	1,058,151,577	1,086,606,112
Provisions and deferred income	21	337,607,052	310,474,339
Term loans	22	34,091,714	34,091,714
Taxation	9(b)	77,297,219	124,559,125
		<u>1,507,147,562</u>	<u>1,555,731,290</u>
Non current liabilities			
Provisions and deferred income	21	11,499,880	24,463,279
Term loans	22	264,873,396	307,338,081
		<u>276,373,276</u>	<u>331,801,360</u>
Total liabilities		<u>1,783,520,838</u>	<u>1,887,532,650</u>
Total equity and liabilities		<u>2,953,596,025</u>	<u>2,250,170,410</u>

These financial statements were approved by the Board of Directors on 26th Feb, 2025 and signed on its behalf by:

Adam Nuru.  Chairman FRC/2014/PRO/00000008934
 Robert Speijer. _____ MD/CEO
 Mr. Bamidele Oke  ED Finance FRC/2014/ICAN/00000007239

The notes on pages 11 to 28 form an integral part of these financial statements

TANTALIZERS PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Ordinary share capital N	Share premium N	Revaluation reserve N	Retained profit - deficit N	Total N
At 1 January 2024	1,605,813,953	2,071,077,399	938,335,517	(4,252,589,108)	362,637,761
Loss for the year	-	-	-	(265,585,830)	(265,585,830)
Movement in the year	894,186,047	178,837,209	-	-	1,073,023,256
At 31 December 2024	2,500,000,000	2,249,914,608	938,335,517	(4,518,174,938)	1,170,075,186
At 1 January 2023	1,605,813,953	2,071,077,399	938,335,517	(3,961,853,317)	653,373,552
Loss for the year	-	-	-	(290,735,791)	(290,735,791)
Movement in revaluation reserve	-	-	-	-	-
At 31 December 2023	1,605,813,953	2,071,077,399	938,335,517	(4,252,589,108)	362,637,761

The notes on pages 11 to 28 form an integral part of these financial statements

TANTALIZERS PLC
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 N	2023 N
OPERATING ACTIVITIES			
Cash received from customers		1,338,403,218	1,405,030,891
Cash paid to suppliers and employees		(912,583,055)	(1,289,475,937)
Tax paid		(53,254,393)	-
Net cash (used in) operating activities		372,565,770	115,554,954
INVESTING ACTIVITIES			
Interest received	9(b)	50,497,102	-
Short term investment	14	(594,158,209)	-
Acquisition of property, plant and equipment	11	(2,473,413)	(33,389,530)
Proceeds from disposal of property, plant and equipment		-	9,110,000
Net cash provided by investing activities		(546,134,520)	(24,279,530)
FINANCING ACTIVITIES			
Repayment of borrowings		(87,464,685)	(86,374,794)
Increase in share premium		178,837,209	-
Proceeds from issuance of share		894,186,047	-
Interest paid	7(a)	(120,158,794)	(95,525,166)
Net cash used in financing activities		865,399,777	(181,899,960)
Net increase in cash and cash equivalents		212,965,978	(90,624,536)
Cash and cash equivalents at start of the year		23,921,302	114,545,838
Cash and cash equivalents at end of the year		236,887,280	23,921,302
Represented by:			
Cash at bank and in hand	15	236,887,280	23,921,300
Bank overdrafts	18(a)	-	-
Cash and cash equivalents		236,887,280	23,921,300

The notes on pages 11 to 28 form an integral part of these financial statements

TANTALIZERS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED, 31 DECEMBER 2024

Notes to the financial statements

1. General Information

Tantalizers Plc was incorporated in 1997 as a Private Limited Company domiciled in Nigeria. The status of the company changed to a Public Limited Company (PLC) on 23rd April, 2008 and its shares were subdivided into 50 kobo shares from the original ₦1. The shares became quoted on the Nigerian Stock Exchange on 23rd June, 2008. The principal activities of the entity are provision of quick service restaurant and outdoor catering services.

2 Statement of Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by International Accounting Standard Board (IASB) and International Financial Reporting Interpretations Committee (IFRICs' interpretations).

2.1 Basis of Preparation

The financial statements are presented in Naira. They have been prepared on a going concern basis applying the historical cost convention. The preparation of the financial statements in conformity with the IFRSs requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. There are no areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements.

2.2 Foreign Currency Transactions

Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. Foreign currency monetary assets and liabilities held at the reporting date are translated at the exchange rate at that date. The resulting exchange gain or loss is recognised in the other comprehensive income.

2.3 System Revenue

System revenue comprises of net sales made through the Company and Franchisees - owned retail outlets. Tantalizers' revenue consists of sales through the Company - owned retail outlets and excludes Value Added Tax, trade discounts and rebates. Revenue is recognised when the significant risks and rewards of goods and services have been passed to the buyer and it can be measured reliably.

TANTALIZERS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED, 31 DECEMBER 2024

Notes to the financial statements

2.4 Finance Income

Finance income is recognised in the other comprehensive income for all instruments measured at amortised cost using the effective interest method. The calculation takes into account interest received or paid and fees and commissions received or paid that are integral to the yield as well as incremental transaction costs. The effective interest rate is the rate that exactly discounts estimated future cash flow throughout the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset.

2.5 Cost of Sales

Cost of sales consists of all costs to the point of sale including warehouse and transportation costs and all the costs of operating retail outlets.

2.6 Inventories

Inventories are stated at cost and net realisable value, whichever is lower and all write downs are included in the cost of sales. However, reversal of such write down in subsequent period is used to reduce the cost of sales. Net realizable value is determined by reference to prices existing at the reporting date. Cost is determined using first-in first-out (FIFO) method of inventory valuation and comprises direct purchase and conversion costs, and other costs incurred in bringing the inventories and comprises direct purchase and conversion costs, and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion of inventories include costs directly related to the units of production, such as direct labour. They also include a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

2.7 Property, plant and equipment

2.7.1 Land and building

Land and buildings are stated at cost less accumulated depreciation and any recognised provision for impairment. Properties in the course of construction are held at cost less any recognised provision for impairment loss. Cost includes the original purchase price of the asset and the directly attributable costs incurred in bringing the asset to its location and condition necessary for it to operate in the manner intended by management.

2.7.2 Plant and machinery, fixtures and equipment

Plant and machinery, fixtures, equipment and vehicles are held at cost less accumulated depreciation and any recognised provision for impairment loss. Cost includes the original purchase price of the asset and the directly attributable costs incurred in bringing the asset to its location and condition necessary for it to operate in the manner intended by the management.

TANTALIZERS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED, 31 DECEMBER 2024

Notes to the financial statements

Subsequent costs on Plant and Machinery, Fixtures and Equipment are included in the assets's carrying amount, as appropriate only when it is probable that future economic benefits associated with the item will flow to the company for over more than one accounting year and the cost of the item can be measured reliably. All repairs and maintenance costs are charged to the statement of comprehensive income during the reporting period in which they are incurred.

2.7.3 Depreciation

Depreciation is calculated to write down the cost of the assets to their residual values, on a straight- line method, on the following bases:

- Freehold land	- Nil
- Improvement to resturant building	- 20%
- Resturant furniture and equipment	- 20%
- Office furniture and equipment	- 20%
- Plant and machinery	- 25%
- Motor vehicle	- 20%
- Software Equipment	- 4%

Depreciation of an asset begins when the asset is in the location and condition necessary for it to be operated in the manner intended by management. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset is depreciated separately based on the pattern which reflects how the economic benefits are consumed. Buildings under construction are not depreciated. Gains or losses on disposal are determined by comparing proceeds with the asset's carrying amount and are recognised in the other comprehensive income.

TANTALIZERS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED, 31 DECEMBER 2024

Notes to the financial statements

2.7.4 Leased Assets

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of the ownership to the Company. Assets funded through finance leases are capitalised as property, plant and equipment and depreciated over their estimated useful lives or the lease term, whichever is shorter. The amount capitalised at the inception of the lease is the lower of the fair value of the asset or the present value of the minimum lease payments during the lease term. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine otherwise its incremental borrowings rate is used. Any initial direct costs incurred on the finance lease are added to the amount recognised as an asset. The resulting lease obligations are included in liabilities net of finance charges. The finance charges/interest element of the rental obligations is charged directly to the statement of comprehensive income over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

2.8 Intangible Assets Software

Software acquired by the Company is stated at cost less accumulated amortisation and accumulated impairment losses. Expenditure on internally developed software is recognised as an asset when the Company is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use.

TANTALIZERS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED, 31 DECEMBER 2024

Notes to the financial statements

2.9 Impairment of non-financial assets

Annually and again whenever indicators of impairment are detected, the Company reviews carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset, which is the higher of its fair value less costs to sell and its value in use, is estimated in order to ascertain the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs. For property, plant and equipment and intangible assets excluding goodwill, the CGU is deemed to be each retail outlet store. Any impairment charge is recognised in the statement of comprehensive income in the year in which it occurs. Where an impairment loss, other than an impairment loss on goodwill, subsequently reverses due to a change in the original estimate, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, or its original carrying value if lower.

2.10 Borrowing and finance costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale, are added to the cost of the assets, until such time as the assets are substantially ready for their intended use or sale. Arrangement fees and issue costs are amortised and charged to other comprehensive income as finance costs over the term of the debt.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. For all instruments measured at amortised cost, finance cost is recognised in other comprehensive income using the effective interest method as in finance income above.

2.11 Financial instruments

Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

2.12 Financial Assets

All the Company's financial assets qualify under the classification of loans and receivables following IAS 39. No financial assets qualify for classification as:

- At fair value through profit or loss ('FVTPL');
- Available-for-sale ('AFS'); and
- Held to Maturity.

TANTALIZERS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED, 31 DECEMBER 2024

Notes to the financial statements

2.13 Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Generally for trade receivables, this results in their recognition at nominal value less any allowance for any doubtful debts since in practise trade receivables do not have any interest implications. For staff loans, effective interest method does not result in their recognition at nominal value as interest is charged on such loans. Income for these financial assets is calculated on an effective yield basis and is recognised in other comprehensive income as part of finance incomes.

2.14 Financial Liabilities

2.14.1 Borrowings

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable, including transaction costs). Borrowings are subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.14.2 Trade and Other Payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method. Generally this results in their recognition at nominal invoice value since in practise trade payables do not have any interest implications.

2.15 Impairment of Financial Assets

An assessment of whether there is objective evidence of impairment is carried out for all financial assets or groups of financial assets at the reporting date. This assessment may be of individual assets ('individual impairment') or of a portfolio of assets ('collective impairment'). A financial asset or a group of financial assets is considered to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. For individual impairment the principal loss event is one or more missed payments, although other loss events can also be taken into account, including arrangements in place to pay less than the contractual payments, fraud and bankruptcy or other financial difficulty indicators. An assessment of collective impairment will be made of financial assets with similar risk characteristics. For these assets, portfolio loss experience is used to provide objective evidence of impairment.

TANTALIZERS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED, 31 DECEMBER 2024

Notes to the financial statements

Where there is objective evidence that an impairment loss exists on loans and receivables, impairment provisions are made to reduce the carrying value of financial assets to the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. For financial assets carried at amortised cost, the charge to the statement of comprehensive income reflects the movement in the level of provisions made together with amounts written off net of recoveries in the year.

2.16 Fair Value Estimation

Fair value estimation is grouped into Levels 1 to 3 based on the degree to which the fair value is observable as per IFRS 13 guidelines as follows:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.17 Offsetting Financial Instruments

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

2.18 Classification of Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the consideration received, net of direct issue costs.

TANTALIZERS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED, 31 DECEMBER 2024

Notes to the financial statements

2.19 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, demand deposits, investments in money market funds and deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in 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 in the statement of cash flow. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

2.20 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted at the reporting date. Tax expense comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to item recognised in other comprehensive income or directly in equity, in which case the related tax is also recognised in other comprehensive income or directly in equity.

Deferred tax is calculated on temporary differences, arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company.

Deferred tax is calculated based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. Deferred tax is recognised for all taxable temporary differences, except to the extent where it arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of transaction, affects neither accounting profit nor taxable profit.

TANTALIZERS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED, 31 DECEMBER 2024

Notes to the financial statements

Deferred tax assets are recognised to the extent it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity or other comprehensive income, in which case the deferred tax is also dealt within equity or other comprehensive income respectively.

2.21 Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle obligation, and the amount of the obligation can be reliably estimated. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

2.22 Employee Benefits - Pensions

With effect from 1st January, 2005, the Company in line with the provisions of the Pension Reform Act, 2004 instituted a defined contribution pension scheme. Staff contributions to the pension are funded through payroll deductions. A defined contribution scheme under IFRS is a pension plan under which the company pays fixed contributions to a separate entity.

Payments to defined contribution pension scheme by the Company are charged as an expenses to the statement of comprehensive income as they fall due. Any contributions unpaid at the reporting date are included as an accrual in the statement of financial position as at that date. The Company has no further payment obligations once the contributions have been paid.

2.23 Judgements and Estimates

The Company makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions will, by definition, seldom equal the related actual results but are based on historical experience and expectations of future events. The judgements and key sources of estimating uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

TANTALIZERS PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED, 31 DECEMBER 2024

Notes to the financial statements

2.24 Impairment of Assets

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amounts may be less than their carrying values. Recoverable amount is based on a calculation of expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance.

2.25 Depreciation of Property, Plant and Equipment and Amortisation of Computer Software

Depreciation and amortisation is provided so as to write down the assets to their residual values over their estimated useful lives as set out above. The selection of these residual values and estimated lives requires the exercise of managements judgement.

2.26 Income Taxes

The Company recognises expected liabilities for tax based on an estimation of the likely taxes due, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual liability arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax provisions in the period when such determination is made.

2.27 Provisions

Provisions have been made for various costs. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

TANTALIZERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024 N	2023 N
3 System reveune		
Company-owned outlet sales	1,198,497,681	1,224,119,602
Franchisees-owned outlet sales	1,704,090,371	1,414,769,390
	<u>2,902,588,052</u>	<u>2,638,888,992</u>
4 Other income		
Rent income	42,967,300	51,902,256
Franchise income	67,998,884	75,886,709
Profit/(loss) on disposal of property, plant and equipment	1,880,000	8,629,255
Other income	10,443,602	15,600,105
	<u>123,289,785</u>	<u>152,018,325</u>
5 Distribution cost		
Advertising/promotion	11,075,724	16,295,737
2% franchisees contribution	(8,225,668)	(8,982,557)
E-commerce service charge	71,858	6,607,781
Sample products	100,000	275,970
Product development	5,500	82,550
Public Relation & Others	120,000	
Staff competition incentives	-	832,500
	<u>3,147,414</u>	<u>15,111,981</u>
6 Write-backs/provisions no longer required		
Write backs / (Write Off)	90,615,451	107,774,868
	<u>90,615,451</u>	<u>107,774,868</u>
7 Finance income and costs		
(a) Finance costs		
Interest on term loans	61,672,212	95,525,166
Other bank charges	7,989,480	9,799,997
	<u>69,661,692</u>	<u>105,325,163</u>
(b) Finance income		
Interest income	-	-
Net finance costs	<u>69,661,692</u>	<u>105,325,163</u>

TANTALIZERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024 N	2023 N
8 Profit/(loss) before tax		
is arrived at after charging(crediting):		
Directors' fee	2,433,333	2,512,500
Directors' salaries and other emoluments	-	53,400,000
Depreciation	96,459,413	-
Auditors' remuneration	2,500,000	2,500,000
(Profit)/loss on sale of property, plant and equipment	1,880,000	8,629,255
9 Taxation		
(a) Current income tax expense		
Corporate tax	5,992,488	5,829,141
Education tax	-	-
Capital gains tax	-	-
	5,992,488	5,829,141
(b) Current tax liabilities		
At 1st January	124,559,124	123,766,575
Tax paid	(53,254,393)	-
Current income tax charge	5,992,488	5,829,141
WHT credit notes utilized	-	(5,036,592)
At 31 December	77,297,219	124,559,124

10 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the number of ordinary shares outstanding at the reporting date. The Company has no convertible notes and share options which could potentially dilute its EPS, hence the Company's basic and diluted EPS are essentially the same.

	2024	2023
	No of shares	No of shares
Number of shares in issue	5,000,000,000	3,211,627,906
	N	N
Profit/(loss) for the year	(265,585,830)	(290,735,791)
Basic earnings (kobo)	(5)	(9)
Diluted earnings (kobo)	(5)	(9)

TANTALIZERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024

11 Property, plant and equipment

	Land		Building		Restaurant furniture & equipment		Office furniture & equipment		Plant & machinery		Motor vehicles		Software		Total	
	N		N		N		N		N		N		N		N	
Costs/valuation																
At 1 January 2024	1,053,229,940		1,664,705,790		1,662,705,610		276,979,450		733,859,777		288,968,815		295,092,678		5,975,542,060	
Additions	-		-		701,000		927,413		845,000		-		-		2,473,413	
31 December 2024	1,053,229,940		1,664,705,790		1,663,406,610		277,906,863		734,704,777		288,968,815		295,092,678		5,978,015,473	
Depreciation																
At 1 January 2024	-		1,143,944,325		1,587,425,676		274,626,556		699,087,901		286,028,143		147,704,440		4,138,817,041	
Charge of the year	-		47,617,002		12,096,202		1,639,800		22,249,859		852,843		11,803,707		96,459,413	
31 December 2024	-		1,191,561,327		1,599,521,878		276,466,356		721,337,760		286,880,986		159,508,147		4,235,276,454	
Carrying value																
31 December 2024	1,053,229,940		473,144,463		63,884,732		1,440,507		13,367,017		2,087,829		135,584,531		1,742,739,019	
31 December 2023	1,053,229,940		520,761,465		75,279,934		2,352,894		34,771,876		2,940,672		147,388,238		1,836,725,020	

TANTALIZERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024 N	2023 N
12 Inventories		
Raw materials & finished products	52,672,113	23,927,862
Printing & stationeries	1,884,489	1,890,384
Engineering, kitchen & staff uniform	3,575,258	8,825,936
Packaging materials	-	1,054,930
Gas & diesel	800,444	885,673
Marketing Stores	4,396,489	-
Cleaning Material	57,105	-
Kitchen Stock	209,072	-
Gift certificates	4,238,400	4,370,400
	67,833,370	40,955,185
13 Trade and other receivables	733,119,751	
Current:		
Trade receivables	60,107,695	58,239,922
Prepayments	11,494,872	23,153,750
Amortization expenses	97,889,985	80,344,156
Staff debtors	6,607,506	839,567
Other receivables	-	14,669,486
Withholding tax receivables	27,617,553	37,059,527
	203,717,611	214,306,408
Allowance for expected credit loss	-	-
	203,717,611	214,306,408
Non - current:		
Prepaid rent	88,285,545	94,312,500

Trade receivables are non-interest bearing and are on commercial terms. The Company's exposure to credit risk arising from its credit operation is minimal given that the customer base is larger and unrelated and that the majority of customer transactions are settled through cash.

Advances to contractors consist of payments for construction of outlet for which job completion documents were yet to be obtained. Operational advances to staff for maintenance operations and travels expenses that were yet to be retired at the end of the period.

Staff debtors are non-interest bearing loans granted to various staff of the Company. These loans are secured by the severance pay due to the staff on the determination of their employment.

Non-current prepaid rent refers to rent paid in advance on outlets that would last more than 12 months.

TANTALIZERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024	2023
	N	N
Short term investments		
14a Short term investments (MILLI ASSET INVESTMENT)	19,975,000	39,950,000
14b GTI Investment	594,158,209	-
	<u>614,133,209</u>	<u>39,950,000</u>
15 Cash and cash equivalents		
Cash in hand	4,373,614	11,918,941
Cash at bank	232,513,666	12,002,359
Cash in hand and at bank	<u>236,887,280</u>	<u>23,921,300</u>
Cash and cash equivalents	<u>236,887,280</u>	<u>23,921,300</u>
16 Share capital		
(a) Authorised		
5,000,000,000 ordinary share capital of 50k each	<u>2,500,000,000</u>	<u>2,500,000,000</u>
(b) Issued and fully paid:		
5,000,000,000 ordinary share capital of 50k each	<u>2,500,000,000</u>	<u>1,605,813,953</u>
17 Share premium		
This represents the excess of consideration paid over the nominal value of the 1,026,630,526 shares issued during the private placement offer in 2008, 261,627,906 shares issued during the special placement offer in 2010 and 1,211,741,568 issued in 2024		
18 Revaluation reserve		
At the beginning of the year	938,335,517	938,335,517
Movement during the year	-	-
At the end of the year	<u>938,335,517</u>	<u>938,335,517</u>
19 Retained earning - deficits		
At the beginning of the year	(4,252,589,108)	(3,961,853,317)
Movement during the year	(265,585,830)	(290,735,791)
At the end of the year	<u>(4,518,174,939)</u>	<u>(4,252,589,108)</u>

TANTALIZERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024 N	2023 N
20 Trade and other payables		
Trade creditors	92,523,675	288,976,854
Statutory Payables+WHT+Consumption	406,841,237	
Other payables	558,786,665	786,154,258
	<u>1,058,151,577</u>	<u>1,086,606,112</u>
21 Provisions and deferred income		
(a) Current:		
Provisions and accruals	281,958,052	236,543,738
Provisions for Directors' fee	40,570,000	37,320,000
Retro-franchise deposits	4,879,000	9,879,000
Deferred income	10,200,000	26,731,601
	<u>337,607,052</u>	<u>310,474,339</u>
(b) Non current:		
Retro-franchise deposits	5,185,110	18,435,111
Deferred income	6,314,770	6,028,168
	<u>11,499,880</u>	<u>24,463,279</u>
<p>Deferred income relates to advances rental income received from franchisees. Those that would expire within 12 months were classified as current liabilities while those that would expire after 12 months were classified as non current liabilities.</p>		
22 Term loans		
(a) Current:		
Bank overdrafts		
Term loans - Eco Bank/BOI loans	34,091,714	34,091,714
	<u>34,091,714</u>	<u>34,091,714</u>
(b) Non current:		
Term loans - Eco Bank/BOI restructured loans	264,873,396	300,402,841
CFS Lease	-	6,935,240
	<u>264,873,396</u>	<u>307,338,081</u>
	<u>298,965,110</u>	<u>341,429,795</u>

TANTALIZERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024 N	2023 N
23 Information regarding directors and employees		
(a) Directors' emoluments comprise:		
Fees	3,350,000	3,350,000
Salaries and other emoluments	36,000,000	36,000,000
	<u>39,350,000</u>	<u>39,350,000</u>
(b) Fees and other emoluments disclosed above include amount paid to:		
Chairman	750,000	750,000
Other directors	36,000,000	36,000,000
	<u>36,750,000</u>	<u>36,750,000</u>
(c) The number of Directors excluding the Chairman with gross emoluments within the bands stated below were:		
	Number	Number
N400,001 - N500,000	3	3
N500,001 - N600,000	1	1
N3,000,000 and above	4	4
	N	N
(d) Highest paid Director	<u>24,000,000</u>	<u>24,000,000</u>
(e) Employees	Number	Number
The average number of persons employed during the year was as follows:		
Managerial	117	117
Others	156	156
	<u>273</u>	<u>273</u>
(f) The aggregate staff cost was:	N	N
Salaries and wages	185,420,325	185,420,325
Other related staff cost	92,333,677	92,333,677
	<u>277,754,002</u>	<u>277,754,002</u>

TANTALIZERS PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024 Number	2023 Number
(g) Employees remunerated at higher rates:		
The number of employees in receipt of emoluments within the following bands are:		
Below N200,000	1	1
N200,001 - N300,000	0	0
N300,001 - N400,000	160	160
N400,001 - N500,000	15	15
N500,001 - N1,000,000	65	65
Over N1,000,000	32	32
	273	273

24 Guarantees and other financial commitments

There were no guarantees and other financial commitments as at 31 December 2024 (2022: Nil)

25 Related party transactions

The Company did not enter into any related party transactions during the year (2022: Nil).

TANTALIZERS PLC

STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2024

	2024		2023	
	N	%	N	%
Revenue	1,165,828,192		1,165,828,192	
Other income	123,289,785		152,018,325	
	1,289,117,977		1,317,846,517	
Bought in materials and services	(1,074,470,474)		(1,189,308,264)	
Value added	214,647,503	100	128,538,253	100
Applied as follows:				
To pay employees:				
Staff costs	308,119,740	144	308,119,740	240
To pay government:				
Taxation	5,992,488	3	5,829,141	5
To pay provider of funds:				
Interest and similar charges	69,661,692	32	105,325,163	82
To provide for replacement of assets and development:				
Depreciation	96,459,413	45	-	0
Retained loss for the year	(265,585,830)	(124)	(290,735,791)	(226)
Value added	214,647,503	100	128,538,253	100

**TANTALIZERS PLC
FIVE-YEAR FINANCIAL SUMMARY**

	2024	2023	2022	2021	2020
	N	N	N	N	N
Statement of financial position:					
Property, plant and equipment	1,742,739,019	1,836,725,016	1,943,267,998	1,429,321,439	1,890,164,759
Long term receivables	88,285,545	94,312,500	121,470,327	119,757,500	118,855,000
Net current assets/(liabilities)	(384,576,102)	(1,236,598,396)	(961,696,715)	(1,026,604,318)	(1,259,931,999)
Long term liabilities	(276,373,276)	(331,801,360)	(449,668,055)	(472,628,042)	(460,344,665)
	1,170,075,186	362,637,760	653,373,556	49,846,579	288,743,095
Paid-up capital	2,500,000,000	1,605,813,953	1,605,813,953	1,605,813,953	1,605,813,953
Share premium	2,249,914,608	2,071,077,399	2,071,077,399	2,071,077,399	2,071,077,399
Revaluation reserve	938,335,517	938,335,517	938,335,517	70,717,089	94,792,024
Retained earnings - deficit	(4,518,174,939)	(4,252,589,108)	(3,961,853,317)	(3,847,761,861)	(3,482,940,281)
Deposit for shares	-	-	-	150,000,000	-
	1,170,075,186	362,637,761	653,373,552	49,846,580	288,743,095
Statement of profit or loss					
Revenue	1,198,497,681	1,165,828,192	1,163,820,321	1,163,820,321	924,125,003
Profit/(loss) before tax	(259,593,342)	(284,906,650)	(241,789,864)	(199,870,057)	(411,982,297)
Taxation	(5,992,488)	(5,829,141)	(22,301,593)	(14,951,523)	(10,068,570)
Profit/(loss) after tax	(265,585,830)	(290,735,791)	(264,091,456)	(214,821,580)	(422,050,867)
Earnings per share:					
Basic and diluted - kobo	(5)	(9)	(8)	(7)	(13)
Net assets per share - kobo	23	11	20	2	9

Notes:

Earnings per share and net assets per share are based on the number of ordinary shares in issue at end of each financial year.

TANTALIZERS PLC**FINANCIAL STATEMENTS, 31 DECEMBER 2024****RESULTS HIGHLIGHTS**

	Year ended 31 December 2024	Year ended 31 December 2023	Percentage increase/ (decrease)
	N	N	%
System revenue	2,902,588,052	2,638,888,992	9.99
Revenue	1,198,497,681	1,165,828,192	2.80
Cost of sales	(773,334,566)	(742,370,704)	4.17
Gross profit	425,163,115	423,457,488	0.40
Other income	123,289,785	152,018,325	(18.90)
Distribution costs	(3,147,414)	(15,111,981)	(79.17)
Write backs	90,615,451	107,774,868	(15.92)
Administrative expenses	(825,852,587)	(847,720,187)	(2.58)
Expected credit loss	-	-	-
Operating loss	(189,931,650)	(179,581,487)	5.76
Finance income	-	-	-
Finance cost	(69,661,692)	(105,325,163)	33.86
Loss before taxation	(259,593,342)	(284,906,650)	8.88
Taxation	(5,992,488)	(5,829,141)	(2.80)
Loss after taxation	(265,585,830)	(290,735,791)	8.65

