FOURTH QUARTER UNAUDITED ACCOUNTS FOR THE PERIOD ENDED 30TH APRIL 2021

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Corporate Information

Directors:	Amb Odi Nwosu	>	***Chairman***
	Mrs. Ijeoma Oduonye	>	***Chief Executive Officer***
	Barr. (Mrs) Ifeoma Nwahiri		
	Mrs. Ijeoma Ezeasor		
	Mr. Ariyo Olushekun		
	Sir Mathias Umego		
	Dr. Chidozie Nsoedo		
	Mr Ike. Okonkwo		
Registered Office:	17, Osita Onyejianya Street, Umuanuka, Otolo, Nnewi, Anambra State. www.cutixplc.com.ng		
Postal Address:	P. M. B. 5040 Nnewi, Anambra State.		
Company Secretary:	Mrs. Chinwendu Nwokporo 17, Osita Onyejianya Street, Umuanuka, Otolo, Nnewi, Anambra State.		
Registrars:	Crescent Registrars Ltd 23, Olusoji Idowu Street Ilupeju Lagos.		
Independent Auditors:	Ngozi Monica Okonkwo & Co (Chartered Accountants) Duplex 11, Ugochukwu Housing Estate Sabmiller Crescent, Off Atani Road Onitsha Anambra State		
Bankers:	Access Bank Plc Ecobank Limited Fidelity Bank Plc First Bank Plc Guaranty Trust Bank Plc Polaris Bank Limited Sterling Bank Plc Union Bank of Nigeria Plc United Bank for Africa Plc Zenith Bank Plc		
Tax Identification Number:	00362300-0001		

Results at a Glance

FOR THE PERIOD ENDED 30TH APRIL 2021

	30-Apr-21 ₦'000	30-Apr-20 N'000	Increase / (Decrease) ₦'000	%
Total assets	4,502,918	3,510,804	992,114	28.26
Total liabilities	1,929,807	1,641,763	288,044	17.54
Net assets	2,573,111	1,869,041	704,070	37.67
Capital expenditure	143,017	100,245	42,772	42.67
Authorized share capital	1,435,802	1,435,802	-	-
Paid-up share capital	880,661	880,661	-	-
Total equity	2,573,111	1,869,041	704,070	37.67
No. of shares in issue (units)	1,761,322	1,761,322	-	-
Revenue	6,745,039	5,025,737	1,719,302	34.21
Profit before taxation	960,405	475,914	484,491	101.80
Taxation - Income tax	(336,142)	(166,570)	(169,572)	101.80
Taxation - Deferred tax	-	-	-	-
Profit after taxation	624,263	309,344	314,919	101.80
Per Share Data:				
Earnings per share - Actual (kobo)	35	18	17	96.90
Earnings per share - Adjusted (kobo)	35	18	17	96.90
Total assets per share (kobo)	256	199	57	28.47
Share price (Kobo)	221	141	80	56.74

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30TH APRIL 2021

	Notes	3 months 01/02/21 - 30/04/21 ₦'000	4th Quarter ended 30/04/21 ₦'000	3 months 1/02/20 -30/04/20 N'000	4th Quarter ended 30/04/20 N'000	Audited May'19 -Apr'20 ₦'000
Revenue	6	1,570,988	6,745,039	1,274,839	5,025,737	5,025,500
Cost of sales	7	(1,055,627)	(4,943,166)	(994,227)	(3,666,882)	(3,583,532)
Gross profit		**515,361**	**1,801,873**	**330,612**	**1,358,855**	**1,441,968**
Other income	8	9,371	38,432	266	29,469	41,112
		524,732	1,840,305	330,878	1,388,324	1,483,080
Distribution costs		(20,052)	(154,040)	(22,289)	(138,176)	(168,973)
		-				
Administration expenses		(132,804)	(552,712)	(126,275)	(589,800)	(575,953)
Profit before tax and interest expense		**371,876**	**1,133,553**	**182,314**	**660,348**	**738,154**
Finance costs	9	(48,005)	(173,148)	(45,955)	(184,434)	(152,651)
Profit before taxation		323,871	960,405	136,359	475,914	585,503
Income tax expense	11	(113,355)	(336,142)	(47,726)	(166,570)	(192,451)
Profit for the Period		**210,516**	**624,263**	**88,633**	**309,344**	**393,052**
Total Comprehensive Income for the period		**210,516**	**624,263**	**88,633**	**309,344**	**393,052**
Earnings per share (kobo) - Actual		12	35	5	18	22

STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2021

	Notes	Unaudited As at April 30, 2021 ₦'000	Unaudited As at April 30, 2020 N'000	Audited As at April 30, 2020 ₦'000
Non-Current Assets:				
Property, plant and equipment	12	796,715	783,031	813,162
Investment in Adswitch		179,228		
Intangible Asset	13	4,680		6,071
Long term prepayment	13	3,665	6,060	43,116
Total non-current assets		**984,288**	**789,091**	**862,349**
Current Assets				
Inventories	14	2,358,457	1,782,971	1,782,971
Trade and other receivables	15	1,043,655	712,425	744,764
Prepayments	16	13,742	78,840	70,286
Cash and cash equivalent	17	102,777	147,477	167,620
Total current assets		**3,518,631**	**2,721,713**	**2,765,641**
Total Assets		**4,502,918**	**3,510,804**	**3,627,990**
Equity:				
Paid up share capital	18	880,661	880,661	880,661
Retained earnings	19	1,692,450	988,380	924,977
Total Equity		**2,573,111**	**1,869,041**	**1,805,638**
Non Current Liabilities:				
Long term borrowings	20	80,348	327,581	327,613
Deferred tax liabilities	11.1	180,904	185,651	180,903
Total Non Current Liabilities		**261,252**	**513,232**	**508,516**
Current Liabilities				
Short term borrowings	21	1,236,978	736,462	776,921
Trade and other payables	22	431,577	315,265	264,065
Current tax payable	11.ii	0	76,804	272,850
Total current liabilities		**1,668,555**	**1,128,531**	**1,313,836**
Total Liabilities		**1,929,807**	**1,641,763**	**1,822,352**
Total Equity and Liabilities		**4,502,918**	**3,510,804**	**3,627,990**

The Unaudited Financial Statements on pages 4 to 27 were approved by the Board of Directors on 27th April and signed on its behalf by:

Amb. Okwudili Nwosu	Ijeoma Oduonye	Favour Oti
Chairman	Chief Executive Officer	Chief Financial Officer
FRC/2019/NSE/00000019801	FRC/2016/ICSAN/00000015363	FRC/2018/ICAN/00000017811

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30TH APRIL 2021

	Notes	4th Quarter ended 30/04/21 May 2020 - April 2021 ₦'000	4th Quarter ended 30/04/20 May 2019 - April 2020 N'000
Cash Flows From Operating Activities:			
Cash receipts from customers		6,484,580	4,591,152
Cash paid to suppliers and employees		(5,647,430)	(4,254,413)
Value added tax - Input		39,739	133,996
Value added tax - (Output)		(217,207)	(154,526)
Cash generated from operations	**23**	**659,682**	**316,209**
Income taxes paid through withholding tax	**11**	(13,071)	(6,746)
Income taxes paid	**11**	(259,778)	(147,666)
Net cash flows from operating activities		**386,833**	**161,797**
Cash Flows From Investing Activities:			
Purchase of property, plant & equipment	**12**	(298,390)	(100,245)
Proceeds from sale of property, plant & equipment		-	-
Net cash flows from investing activities		**(298,390)**	**(100,245)**
Cash Flows From Financing activities:			
Finance costs	**9**	(173,148)	(184,434)
Dividend paid	**19**	(220,165)	(220,165)
Unclaimed dividend written back/Revalidated dividend paid	**19**	27,233	202
Long-term borrowings	**20**	(247,265)	297,478
Short-term borrowings	**21**	460,057	80,232
Net cash provided by financing activities		**(153,286)**	**(26,687)**
Net Increase in cash and cash equivalents		(64,843)	34,865
Opening cash and cash equivalent		167,620	112,612
Cash and cash equivalents	**17**	**102,777**	- **147,477**

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30TH APRIL 2021

PERIOD ENDED 30TH APRIL 2021

	Notes	Issued Share Capital ₦'000		Retained Earnings ₦'000	Total Equity ₦'000
At 01 May 2020		**880,661**		**924,977**	**1,805,637**
Changes in equity for 2020					
Profit for the period				960,405	960,405
					-
Capitalization of Bonus shares					-
Revalidated dividend paid					-
					-
Total comprehensive income for the period		**-**		**960,405**	**960,405**
Transactions with owners recorded directly in equity		-			
Dividends paid during the year				(220,165)	(220,165)
Unclaimed dividend written back/Revalidated dividend paid		-		27,233	27,233
Total transactions with owners		**-**		**(192,932)**	**(192,932)**
At 30th April 2021		**880,661**	**-**	**1,692,450**	**2,573,111**

PERIOD ENDED 30TH APRIL 2020

	Notes	Issued Share Capital N'000		Retained Earnings N'000	Total Equity N'000
At 01 May 2019		**880,661**		**732,430**	**1,613,091**
Changes in equity for 2019					
Profit for the period		-		475,914	475,914
					-
Capitalization of Bonus shares					-
Revalidated dividend paid					-
					-
Total comprehensive income for the period		**-**		**475,914**	**475,914**
Transactions with owners recorded directly in equity					
Dividends paid during the year				(220,165)	(220,165)
Unclaimed dividend written back/Revalidated dividend paid		-		202	202
Total transactions with owners		**-**		**(219,964)**	**(219,964)**
At 30th APRIL 2020		**880,661**	-	**988,380**	**1,869,041**

OTHER NATIONAL DISCLOSURE

STATEMENT OF VALUE ADDED
FOR PERIOD ENDED 30TH APRIL 2021

	May'20 - April 21		May'19 - April 20	
	₦'000	%	N'000	%
Revenue	6,745,039		5,025,737	
Other income	38,432		29,469	
Revenue and other income	6,783,471		5,055,206	
Bought-in-materials and services - Foreign	(2,066,516)		(1,550,815)	
Bought-in-materials and services - Local	(3,099,773)		(2,326,222)	
Value Added	**1,617,182**	**100.00**	**1,178,169**	**100.00**
To pay employees' wages:				
Salaries and other benefits	358,044	22.14	332,976	28.26
To pay providers of Capital:				
Interest on facilities and finance charges	173,148	10.71	184,434	15.65
Dividend to Shareholders		-		-
To pay Government:				
Income tax	336,142	20.79	166,570	14.14
To provide for enhancement of assets and expansion:				
Depreciation	125,585	7.77	191,433	16.25
Retained earnings	624,263	38.60	309,344	26.26
Deferred tax		-	-	-
	1,617,182	**100.00**	**1,184,757**	100.56

NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD ENDED 30TH APRIL 2021

1 The Company

1. 1 Legal Form

The Company was incorporated on November 4, 1982 as a private limited liability company. The company was initially quoted in the second tier of the Nigerian Stock Exchange on August 12, 1987 and later migrated to the first tier of the Stock Exchange on February 18, 2008. The address of Company is 17, Osita Onyejianya Street, Umuanuka, Otolo Nnewi, Anambra State.

1. 2 Principal Activities

The principal activities of the Company is manufacturing and marketing of electrical, automobile and telecommunication wires, cables and related products.

2 Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention, except for the financial instruments and valuation of plan assets in defined benefit pension schemes. These financial statements are presented in Naira (N) and all values are rounded to the nearest thousands except when otherwise indicated.

(c) Functional and presentation currency

These financial statements are presented in Naira, which is the Company's functional currency.

(d) Use of judgments and estimates

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a going concern basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about assumptions and estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are

(i) *Recognition of deferred tax assets*

The recognition of deferred tax assets requires an assessment of future taxable profit. Deferred tax assets are only recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. The availability of future taxable profits depend on several factors of the group's future financial performance and if necessary implementation of tax

(ii) *Contingencies*

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future

(iii) *Impairment losses on receivables*

The Company reviews its receivables to assess impairment at least on an annual basis. The Company's credit risk is primarily attributable to its trade receivables. In determining whether impairment losses should be reported in profit or loss, the Company makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

2.1 Going Concern:

The directors have at the time of preparing the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, hence going concern concept of accounting was adopted in the preparation of these financial statements.

2.2 Summary of Standards and Interpretations

2.2.1 IAS 1 Presentation of Financial Statements

This clarifies that entities may present the analysis of each component of other comprehensive income either in the statements of changes in equity or in the notes to the financial statements.

2.2.2 IAS 24 Related Parties

The revised standard provides some exemptions for certain government related entities, clarifies the definition of a related party and includes an explicit requirement to disclose commitment to related parties. The revised standard specifically defines associates of the ultimate parent company as related parties of the entity and they have been treated as such in these financial statements. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the company are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

2.3 Basis of Measurement

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the account which have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial assets/ (liabilities) measured at fair value. The financial statements are presented in Naira, which is the Company's presentation currency, and all values are rounded to the nearest thousand (₦'000), except when otherwise indicated.

3 Critical Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly.

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

4 Significant Accounting Policies

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

4.1 Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and /or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its costs is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

Land is carried at cost, less any recognized impairment loss.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

4.1.1 Subsequent Costs

Cost arising subsequent to the acquisition of an asset are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the income statement during the financial year in which they are incurred.

4.1.2 De-recognition

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement in the year the asset is derecognized.

4.1.3 Depreciation of Property, Plant and Equipment

Depreciation is calculated on a straight-line basis to write-off assets over their estimated useful lives. Land and assets under construction (work-in-progress) are not depreciated.

Depreciation starts when an asset is ready for use and ends when derecognized or classified as held for sale. Depreciation does not cease when the asset becomes idle or retired from use unless the asset is fully depreciated.
The annual rates used are as follows:

Leasehold Land	Lease period
Buildings and infrastructure	15 to 40 years
Shops	5 to 30 years
Borehole and tanks	10 years
Furniture and fittings	10 years
Plant & Machinery and equipment	10 years
Generator	5 years
Motor vehicles	4 years
Machine Component	4 years
Computer equipment	2 years
Land	Nil

Assets held under finance lease are depreciated over their expected useful lives on the same basis as owned assets or where shorter over the period of the lease.

4.1.4 Asset Useful Lives and Residual Values

Property, plant and equipment are depreciated over their useful lives taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually. In reassessing asset useful lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. 1.5 Provision for Dismantling \ Restoration Cost

The provisions are computed by reference to estimates of future anticipated dismantling costs and the corresponding amounts added to the asset under property, plant and equipment for assets measure using the cost model. For assets measured using the revaluation model, subsequent changes in the liability are recognised in revaluation reserves through OCI to the extent of any credit balances existing in the revaluation surplus reserve in respect of that asset. The present values are determine using pre-tax rate which reflects current market assessments of the time value of money and the risk specific to the obligation.

Provisions are recognised whenever a legal or constructive obligation arising from past events, the outflow of resources to settle the liability can be estimated reliably. Provisions are discounted if the effect is material.

However, no provision was made in the financial statements.

4. 1.6 Related Parties

Related parties include the parent company and other related entities. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Company are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

4.2 Intangible Assets

i Recognition and measurement

Software acquired is stated at cost less accumulated amortization and accumulated impairment losses.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

ii Amortization is recognized in profit or loss on a straight line basis over the estimated useful life of the software from the date it is available for use. The estimated useful lives for the current and comparative years of significant items of intangible assets are as follows:

> Odoo ERP and others - 5 years

4. 2.1 Derecognition of Intangible Assets

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

4.2.2 Subsequent Expenditure

Subsequent expenditure on computer software and development cost are capitalized only when the future economic benefits embodied in the specific asset to which it relates, all other expenditure is expensed as incurred.

4.2.3 Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value. Amortization is recognized in income statement on a straight line basis over the estimated useful lives of intangible assets from the date that they are available for use, since this must closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

4. 2.4 Non-current Assets Held for Sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. Immediately before classification as held for sale, the assets, or components of a disposal group, are re-measured in accordance with the company's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell,

If their carrying amount is to be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

4.3 Inventory

Inventories are valued at the lower of cost and net realizable value. Cost is generally determined on a weighted average basis. Costs that are incurred in bringing each product to its present location and condition are accounted for as follows:

Raw Materials

* Purchase cost on a weighted average cost basis.

Finished Goods and Work-in-Progress

* Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Other Inventories and Spares

* The cost of other inventories is based on weighted average. Spare parts are valued at the lower of cost and net realizable value. Value reduction and usage of spare parts are charged to statement of comprehensive income.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Allowance is made for obsolete, slow moving or defective items where appropriate.

4.3.1 Treatment of Goods in Transit

Goods in transit are recognized in the books as soon as significant risk and rewards of ownership is transferred to the company i.e., date of shipment.

4.4 Receivables

4.4.1 Trade Receivables

Trade receivables are carried at the original amount due from customers, which is considered to be fair value, less allowances for doubtful accounts. Allowance for doubtful accounts is based on a periodic review of all outstanding amounts, where significant doubt about collectability exists, including an analysis of historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in our customer payment terms. Significant debt balances are provided for based on the criteria mentioned above and non-significant debts are tested collectively for impairment. Bad debts are written off when identified as uncollectible, and are included within other operating expenses. Subsequent recoveries of amounts previously provided for are credited to the statement of comprehensive income.

4.5 Financial Instruments

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity, investments and available for sale. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

Financial instruments carried at the financial position date include the loans and receivables, accounts receivable, cash and cash equivalents, borrowings and accounts payables. Financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition financial instruments are measured as described below.

4.5.1 Financial Assets

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The financial assets carried at statement of financial position date are classified as 'loans and receivables'.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Company intends to sell in the short term or that it has designated as fair value through profit or loss or available for sale. The Company does not use derivative financial instruments.

Loans and Receivables

Loans and receivables include loans to staff and are initially measured at cost but subsequently at amortized cost using the effective interest rate method less impairment. Loans are subject to regular and thorough review as to their collectability and as to available collateral. In the event that any loan is deemed not fully recoverable, an impairment is made to reflect the shortfall between the carrying amount and the present value of the expected cash flows. Interest income on loans receivable is recognized by applying the effective interest rate. The long term portion of loans receivable is included on the statement of financial position under long-term loans receivable and the current portion under current portion of long-term loans receivable. However, where the impact of measuring these loans at amortized cost is not significant, the receivables are carried at cost.

Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. Cash and cash equivalents comprise cash on hand, deposits held at call with banks, and investment in money market instruments. In the statement of financial position and statement of cash flows, bank overdrafts and commercial papers are included in short term borrowings.

4.5.2 Financial Liabilities

The company's financial liabilities at statement of financial position date include 'Borrowings' and Trade payables' (excluding VAT and employee related payables). These financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities are included in current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date. However, where the impact of measuring trade payable at amortized cost is insignificant, trade payables are carried at cost.

Trade Payables

Trade payable are stated at their original invoiced value. If there is an agreement that interest or premium be paid, it will be calculated and added to the initial amount.

Borrowings

Borrowings, inclusive of transaction cost, are recognized initially at fair value. Borrowings are subsequently stated at amortized costs using the effective interest rate method, any difference between proceeds and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest rate method. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

4.6 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

4.7 Impairment of Financial Assets

All financial assets, except for those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date.

4.8 Leases

The Company has adopted IFRS 16, "Leases" as issued by the IASB in July 2014 with a date of transition of 1 January 2019, which resulted in changes in accounting policies. As permitted by the transitional provision of the standard, the Company may choose the modified retrospective approach to the application of IFRS 16. This approach allows the Company not to restate comparative financial information. The major impact of the adoption of this standard is that the Company will be required to capitalize all leases (i.e. recognize a right-of-use asset and a lease liability) with the exemption of certain short-term leases and leases of low-value assets. However, this standard does not change the accounting for leases of the company in the year under review.

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

Other leases are classified as operating leases and are not recognized on the Company's statement of financial position. Payments made under operating leases are recognized in the profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are

4.9 Statement of cash flows

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes, equity-settled share-based payments and other non-cash items, have been eliminated for the purpose of preparing the statement. Dividends paid to ordinary shareholders are included in financing activities. Interest paid is also included in financing activities while finance income is included in investing activities.

4.10. Application of new and revised international financial reporting standards (IFRS) and interpretations to standards

The following new standard, amendment to standard and interpretation are effective for the period under review.

4.10.1 IFRS 16 - Leases

IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC - 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customers ('lease') and the supplier ('lessor'). IFRS 16 eliminates the classification of leases as operating leases or finance leases as required by IAS 17 and introduces a single lessee accounting model. Applying that model, a lessee is required to recognize;

* Assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
* Depreciation of lease assets separately from interest on lease liabilities in the profit or loss.

For the lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those types of leases differently.

The Company has adopted IFRS 16 from 1 January 2019. On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments and discounted using the lessee's incremental borrowing rate as of 1 January 2019. The impact of this is material, leading to the recognition of ROU assets, which are being depreciated on a straight line basis and expensed in the Company's statement of profit or loss and other comprehensive income.

4.10.2 Amendments to IFRS 9 Prepayment Features With Negative Compensation

The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the Solely Payment of Principal and Interest (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI.

The amendments have no impact on the Company's accounts.

4.10.3 Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures

The amendment clarifies that IFRS 9, including its impairment requirements, applies to long term interests. Furthermore, in applying IFRS 9 to long term interests, an entity does not take into account adjustments to their carrying amount required by IAS 28 (i.e., adjustments to the carrying amount of long term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

4.10.4 Annual Improvements to IFRS Standards 2015 - 2017 Cycle

The Annual Improvements include amendments to four Standards.

4.11 IAS 12 Income Taxes

The amendments clarify that an entity should recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

The amendments have no impact on the financial statements.

4.12 IAS 23 Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

The amendments have no impact on the financial statements.

4.13 IFRS 3 Business Combinations

The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognized assets, liabilities and goodwill relating to the joint operation.

The amendments have no impact on the financial statements.

4.14 IFRS 11 Joint Arrangements

The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its PHI in the joint operation.

All the amendments are effective for annual periods beginning on or after 1 January 2019 and generally require prospective application. Earlier application is permitted.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the financial statements.

4.15 Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the assets ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognized in the normal manner in other comprehensive income.

The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. An entity will now be required to use the updated assumptions from this measurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset).

The amendments are applied prospectively. They apply only to plan amendments, curtailments or settlements that occur on or after the beginning of the annual period in which the amendments to IAS 19 are first applied. The amendments to IAS 19 must be applied to annual periods beginning on or after 1 January 2019, but they can be applied earlier if an entity elects to do so.

The directors of the Company do not anticipate that the application of these amendments in the future will have an impact on the Company's financial statements.

4.16 IFRIC 23 Uncertainty Over Income Tax Treatments

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation has not impact on the Company's accounts.

4.17 New standards, amendments and interpretation not yet effective

Certain new standards, amendments to standards and interpretations have been published that are not yet effective for the quarter ended January 31, 2021 and have not been early adopted by the Company. The Company's assessment of the impact of the new standard and interpretation is as stated below:

4.17.1 IFRS 17 - Insurance Contracts effective for annual periods beginning 1 January 2022

The new Standards establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach. The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it takes into account market interest rates and the impact of policy holders' options and guarantees. The implementation of the Standards is likely to bring significant changes to an entity's processes and systems, and will require much greater coordination between many functions of the business, including finance, actuarial and IT.

4.18.1 The Conceptual Framework for Financial Reporting (revised)

The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standards in place and to assist all parties to understand and interpret the standards. It is effective for annual periods beginning on or after 1 January 2020.

4.18.2 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Company recognizes transfers between levels of the fair value hierarch at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in Financial Instruments - Financial risk management and fair values - (Note 30).

4.19 Revenue

This relates to the sale of goods to customers, exclusive of value added tax and less any discounts. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, recovery of the consideration is possible, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

4. 20 Sales of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

4. 21 Income Recognition

Income is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Income is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

4. 21. 1 Interest Income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available for sale, interest income or expenses is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life or the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the income statement.

4. 21. 2 Interest Expenses

Interest expenses on bank overdrafts, related party loans, borrowings and impairment losses recognized on financial liabilities are included under finance costs of the company.

4. 21. 3 Cost of Sales

This item represents the full absorption cost of products sold. The full absorption cost comprises cost of direct materials, labour and the proportion of manufacturing overhead based on normal operating capacity and borrowing costs. The costs of raw materials and consumables are calculated based on the weighted averaged cost principle.

4. 22 Post Employment Benefits:

4. 22 .1 Pension Fund Scheme

In accordance with the provisions of the Pension Reform Act, 2014 the Company has instituted a Contributory Pension Scheme for its employees, where both the employees and the Company contribute 8% and 10% respectively. The contribution is based on total employee emoluments (basic salary, housing and transport allowances). The company's contribution under the scheme is charged to the income statement while employee contributions are funded through payroll deductions.

The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

4.12.2 Productivity incentive and bonus plans

All full time staff are eligible to participate in the productivity incentive scheme. The Company recognizes a liability and an expense for bonuses and productivity incentive, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustment.

4.22.3 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognized as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

4.22.4 Taxation

Income tax for the year is based on the taxable income for the year. Taxable income differs from profit as reported in the statement of comprehensive income for the period as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods.

4.22.5 Current Income Tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are determined in accordance with the Companies Income Tax Act (CITA). CITA is assessed at 30% of adjusted profit while Education Tax at 2% of assessable profit.

4.22.6 Deferred Tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

> the carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

> deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

> a deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

> the carrying amount of the deferred tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

4.22.7 Tax Exposure

In determining the amount of current and deferred tax, the company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the company to change its judgment regarding the adequacy of existing tax liabilities; such

4.23 Provisions

4.23.1 General

outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

4.23.2 Restructuring Provisions

Restructuring provisions are only recognized when general recognition criteria for provisions are fulfilled. Additionally, the company needs to have in place a detailed formal plan about the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and appropriate time-line. The people affected have a valid expectation that the restructuring is being carried out or the implementation has been initiated already.

4.24 Foreign Currency

Transactions in foreign currencies are initially recorded by the company at the functional currency rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the income statement with the exception of all monetary items that form part of a net investment in a foreign operation. These are recognized in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on transaction of non-monetary items is recognized in line with the gain or loss of the item that gave rise to the transaction difference (translation differences on items whose gain or loss recognized in other comprehensive income or profit or loss is also recognized in other comprehensive income or profit or loss respectively).

4.25 Dividend Distributions

Dividend distributions to the company's shareholders are recognized as a liability in the company's financial statements in the period in which the dividends are declared. Unclaimed dividends are amounts payable to shareholders in respect of dividend previously declared by the company, which have remained unclaimed by the shareholders. In compliance with Section 285 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, unclaimed dividends after fifteen months are transferred to retained earnings.

4.26 Employment of Disabled Persons

It is the policy of the company that there should be no discrimination in considering applications for employment including those for disabled persons. As at 31st January 2021, there were three disabled persons in the employment of the company.

4. 27 Health, Safety at Work and Welfare of Company's Employees

Health and safety regulations are in force within the company and employees are aware of existing regulations. The company provides subsidy to all levels of employees for medical, transportation, housing, etc.

4. 28 Earnings Per Share

The company presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of shares outstanding during the year. Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares adjusted for the bonus shares issued. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held (if any), for the effects of all dilutive potential ordinary shares.

4. 29 Share Capital

The Company has only one class of shares: ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

4. 30 Impairment of Non-financial Assets

Goodwill and indefinite life intangible assets are considered for impairment at least annually. Property, plant and equipment, other intangible assets, available-for-sale investments and non-current assets held for sale are considered for impairment if there is a reason to believe that an impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic entity, the viability of the unit itself.

Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. If the information to project future cash flows is not available or could not be reliably estimated management uses the best alternative information available to estimate a possible impairment.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

An impairment loss in respect of goodwill is not reversible. In respect of other assets, impairment losses recognized 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 recognized.

4. 31 Segment Reporting

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of head office expenses, and tax assets and liabilities.

A segment is a distinguishable component of the company that is engaged either in providing related products or services (business segment) or in providing products or services within a particular economic environment (geographical segment) which is subject to result and returns that are different from those of other segments. Segment information is required to be presented in respect of the company's business and geographical segment where applicable. Nigeria is the company's primary geographical segment as all the company's income is derived in Nigeria. Additionally, the company operates only in one business segment and accordingly, no further business or geographical information is required.

5. 1 New Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1st January, 2020 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The extent of the impact of these standards is yet to be determined. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

5. 2 IFRS 17 'Insurance Contracts (2017) effective for annual period beginning January 2020.

On 31st October, 2012 IASB issued Definition of Material (Amendments to IAS 1 and IAS 8) to clarify the definition of materials and to align the definition used in the conceptual framework and the standards themselves. The Amendments are effective annual reporting periods beginning on or after January 1, 2020.

	30-Apr-21	30-Apr-20	Audited Apr 30 2020
6 **Revenue**	**₦'000**	**N'000**	**₦'000**
Revenue represents the net amount invoiced to customers for goods supplied within Nigeria.			
Cables & Wire Sales	4,599,778	3,738,601	3,738,248
Metal Product Sales	-	5,435	5,160
Armoured cable sales	2,145,261	1,281,701	1,282,092
	6,745,039	**5,025,737**	**5,025,500**

		30-Apr-21	30-Apr-20	Audited Apr 30 2019
7	**Cost of Sales**	**₦'000**	**N'000**	**₦'000**
	Depreciation expenses -Production	113,304	131,584	109,932
	Insurance - Production	10,923	11,326	9,771
	Maintenance -Production	62,196	89,473	69,508
	Power charges	41,718	53,639	44,973
	Production wages	123,146	114,219	154,731
	Production supplies	209,680	148,184	114,259
	Raw material cost	4,345,204	3,088,986	3,050,836
	Motor Vehicle-COS	36,995	29,471	29,521
		4,943,166	**3,666,882**	**3,583,531**

		30-Apr-21	30-Apr-20	Audited Apr 30 2020
8	**Other income**	**₦'000**	**N'000**	**₦'000**
	(Loss) on sale of property, plant and equipment			111
	Foreign exchange difference	-	-	11,806
	Sales of scrap	38,432	29,469	29,195
		38,432	**29,469**	**41,112**
9	**Finance cost**			
	Interest on term loans	64,232	68,833	52,396
	Interest on commercial papers	66,573	68,113	67,077
	Interest on overdraft	42,343	47,488	33,178
		173,148	**184,434**	**152,651**
10	**Profit Before Taxation**			
	The profit for the period is arrived at after charging:			
	Directors' fees	716	716	895
	Directors' other emoluments	8,496	8,496	9,274
	Auditors' remuneration	3,600	3,600	3,000
	Finance charges	173,148	184,434	152,651
	Depreciation	125,585	191,433	153,523
	And after crediting:			
	Other income	38,432	29,469	41,112

NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD ENDED 30TH APRIL 2021 (CONTINUED)

11 **Taxation:**

i	**Income tax recognized in profit or loss**			
	Taxation on profit on ordinary activities	336,142	166,570	182,577
	Education tax	-	-	14,601
	NPTF Levy			20
	Deferred tax *(Note 11b)*	-		(4,748)
	Previous years' under provision	-	-	-
	Balance per income statement	**336,142**	**166,570**	**192,451**
ii	**Current liabilities in the statement of financial position**			
	Taxation on profit on ordinary activities	-		182,577
	Education tax		-	14,601
	NPTF Levy			20
		-		
	Balance brought forward	272,850	231,216	197,199
	Payments during the year	(259,779)	(147,666)	231,216
	Previous years' under provision *	-		(147,666)
	Withholding tax utilized	(13,071)	(6,746)	(7,898)
	Balance per statement of financial position	**0**	**76,804**	**272,850**

11.1 Deferred Taxation:

At May 1, 2020	180,904	185,651	185,651
Charged to profit or loss	-		(4,748)
At Oct 31, 2020	**180,904**	**185,651**	**180,903**

11.2 Reconciliation of effective tax rate

Profit for the period	624,263	309,344	393,052
Total income tax expense	336,142	166,570	197,198
Profit excluding deferred tax	960,405	475,914	590,251
Effective tax rate	**35**	**35**	**33**

11.3 Analysis of deferred tax is made up of:

30-Apr-21	**Opening Balance ₦'000**	**Recognized in Profit or Loss ₦'000**	**Recognized in OCI ₦'000**	**Closing Balance ₦'000**
Deferred tax liability or asset in relation to:				-
Property plant and equipment	180,904		-	180,904
	180,904	-	-	180,904

30-Apr-20	**Opening Balance ₦'000**	**Recognized in Profit or Loss ₦'000**	**Recognized in OCI ₦'000**	**Closing Balance ₦'000**
Deferred tax liability or asset in relation to:				-
Property plant and equipment	185,651		-	185,651
	185,651	-	-	185,651

12 Property, Plant and Equipment

	Land	Buildings	Shops	Borehole & Tanks	Plant & Machinery	Generator	Machine Component	Motor Vehicles	Computer Equipment	Funiture & Fittings	Work in Progress	Total
Cost:	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At May 1, 2020	62,383	380,720	4,200	23,353	924,391	137,002	10,190	173,841	84,918	49,811	4,438	1,855,246
Additions	15,050	5,541			18,335	15,270	3,587	76,534	4,303	2,520	1,877	143,017
Reclasification												
Disposal								(23,855)				(23,855)
At April 30, 2021	77,433	386,261	4,200	23,353	942,726	152,272	13,777	226,520	89,221	52,331	6,315	1,974,408
Depreciation:												
At May 1, 2020	-	93,620	1,120	19,314	619,418	55,451	4,173	134,603	84,544	29,841	-	1,042,084
Charge for the year		8,725	128	1,233	70,409	26,638	3,481	8,721	2,029	4,221		125,585
Disposal	-							10,024			-	10,024
At April 30, 2021	-	102,345	1,248	20,547	689,827	82,089	7,654	153,348	86,573	34,062	-	1,177,693
Carrying Amount												
At April 30, 2021	77,433	283,916	2,952	2,806	252,899	70,183	6,123	73,172	2,648	18,269	6,315	796,715
At April 30, 2020	62,383	287,100	3,080	3,048	286,069	79,785	6,150	24,149	8,274	18,554	4,438	783,031
At April 30, 2020	62,383	287,100	3,080	4,038	81,552	6,016	304,975	39,238	376	19,971	4,438	813,163

13A Intangible Assets (Software)

Intangible assets represent purchase of and installation cost of software license.
The movement on this account during the year was as follows:-

	30-Apr-21	30-Apr-20
Cost	₦'000	₦'000
Balance at 1 May 2020	7,589	-
Additions	-	-
Balance at April 30, 2021	7,589	-
Amortization		
Balance at 1 May 2020	1,518	-
Amortization for the year	1,391	-
Balance as at 30th April 2021	**2,909**	0
Balance at 30th April 2021	**4,680**	-
At 30 April 2020	**6,071**	

	30-Apr-21	30-Apr-20	Audited Apr 30 2020
13B Long Term Prepayments:	₦'000	₦'000	₦'000
Prepaid rent	3,665	6,060	43,116
14 Inventories:			
Raw materials	410,828	552,746	553,427
Work in progress	458,549	233,078	233,078
Finished goods	1,322,646	787,522	787,522
Technical stock and spares	156,616	197,877	197,197
Consumables	2,467	2,179	2,179
Advert and promotion	7,352	9,569	9,569
Advert and promotion represents the value of promotional item in the inventory.	2,358,457	1,782,971	1,782,971
15 Trade and other receivables			
Trade receivables	126,306	213,637	368,696
Deposit for imports ***(See note 15.1)***	901,020	483,610	361,011
Staff receivables	9,617	5,870	5,809
Other receivables	6,712	9,308	9,248
	1,043,655	712,425	744,764

15..1 Deposit for Imports:

Deposits for imports represent foreign currencies purchased for funding of letters of credit in respect of imported raw materials, spare parts and machinery.

16 Other Prepayments			
	17,407	84,900	113,402
Prepayments due after one year	(3,665)	(6,060)	(36,172)
Prepayments due within one year	13,742	78,840	77,230

NOTES TO THE FINANCIAL STATEMENT
FOR THE PERIOD ENDED 30TH APRIL 2021 (CONT'D)

				Audited
	Cash and Cash Equivalent:	30-Apr-21	30-Apr-20	30-Apr-20
		₦'000	**₦'000**	**₦'000**
17				
	Cash balances	225	280	250
	Access Bank Plc.	860	2,106	9,944
	Ecobank Limited.	26,339	2,741	2,741
	Fidelity bank Plc	207	1,808	1,808
	First bank Plc	-	4,677	4,771
	Guaranty Trust Bank Plc.	7,899	1,191	2,996
	Polaris Bank	464	580	580
	Sterling Bank	500	576	576
	Union Bank of Nigeria Plc.	16,257	35,950	40,913
	United Bank for Africa Plc.	48,296	95,123	100,596
	Zenith Bank Plc.	1,730	2,445	2,445
		102,777	**147,477**	**167,620**
18	**Share Capital**			
	Authorized: 2,871,603,392	1,435,802	1,435,802	1,435,802
	Ordinary shares of 50k each	**1,435,802**	**1,435,802**	**1,435,802**
	Issued and Fully Paid: 1,761,322 Ordinary shares of 50k each			
	Balance brought forward *(issued and fully paid of 50k each)*	880,661	880,661	880,661
	Bonus issue	-	-	-
	Ordinary shares of 50k each	**880,661**	**880,661**	**880,661**
19	**Retained Earnings**			
	Balance brought forward	924,977	732,430	732,430
	Transfer from income statement	960,405	475,913	393,052
	Revalidated dividend paid	-	202	-
	Dividend written back	27,233	-	-
	Capitalization of Bonus shares		-	19,660
	Dividend paid in the year	(220,165)	(220,165)	(220,166)
		1,692,450	**988,380**	**924,976**
20	**Long Term Borrowings:**			
	Access Bank Plc ***(Note 20a)***	13,987	31,368	31,368
	Bank of Industry	276,764	478,623	478,655
	Additions during the year-			
	Current portion *(Access Bank)* ***Note 20a***	(13,987)	(17,370)	(17,370)
	Current portion *(BOI)* ***Note 20b***	(196,416)	(165,040)	(165,040)
		80,348	**327,581**	**327,613**

20a Access Bank Plc

This is term loan facility of N49,124,200 obtained from Access Bank Plc, repayable over 36 months with effect from January 2019.
The applicable interest rate on the facility is currently at 19.5%. The facility is to finance part of the purchase price of 1,000 K.V.A generator from Cummis

20b The company obtained working capital loan from BOI at the applicable interest rate of 12.5%.

		30-Apr-21	30-Apr-20	Audited Apr 30 2020
21	**Short Term Borrowings:**	**₦'000**	**₦'000**	**₦'000**
	Access Bank Plc	129,643	-	17,370
	First bank Plc	15,631		
	Current portion (Note 20a)	13,987	17,370	
	Union Bank of Nigeria Plc-overdraft	207,040	136,970	105,017
	Union Bank of Nigeria -Fx Forward	-	-	-
	Union Bank of Nigeria Plc. Promissory notes	-	-	71,928
	BOI loan	196,416	165,040	
	Current portion		-	165,042
	Commercial papers ***(Note 21a)***	674,261	417,082	417,564
		1,236,978	**736,462**	**776,921**

21a The commercial papers were issued to various individuals and Co-operative societies for periods of 90 days renewable at interest rates ranging from 6% to 12%.

		30-Apr-21	30-Apr-20	Audited Apr 30 2020
22	**Trade and other payables**			
	Trade payables	184,576	72,468	74,288
	Other payables	35,001	-	
	Accruals	201,956	209,934	120,008
	Value added tax payable	9,758	32,577	31,527
	Other credit balances	286	286	38,242
		431,577	**315,265**	**264,065**
23	**Reconciliation of Net Income to Net Cash Provided by Operating Activities:**			
	Profit before finance costs	1,133,553	660,348	738,154
	Adjustments for:			
	Depreciation	125,585	191,433	153,523
	Profit or (loss) on asset disposal	10,024	-	(76)
	Amortization	1,391		1,518
	Operating profit before working capital changes	1,270,553	851,781	893,119
	(Increase)/Decrease in inventories	(575,486)	(203,273)	(203,087)
	(Increase) Decrease in trade receivables and prepayments	(202,897)	(502,516)	(563,355)
	Increase/(Decrease) in trade and other payables	167,512	170,217	119,017
	Cash generated from operations	**659,682**	**316,209**	**245,694**
24	**Staff Cost**			
	Salaries and wages	264,650	239,769	295,320
	Medical, welfare, pension and training	93,394	93,208	77,100
		358,044	**332,977**	**372,420**
25	**Directors and Employees:**			
	(i) **Chairman's Emoluments:**			
	As Executive			
	Fees	111	111	153
	Other	366	366	529
		477	**477**	**682**
	(ii) **Other Directors' Emoluments:**			
	As Executive	6,525	6,525	6,525
	Fees	605	605	742
	Other	1,605	1,605	2,221
		8,735	**8,735**	**9,488**

	30-Apr-21	30-Apr-20	Audited 30-Apr-20
	₦'000	₦'000	₦'000
(iii) **The number of directors excluding the Chairman whose emoluments were** within the following ranges were:-			
₦20,000 - ₦40,000	-	-	-
₦40,001 - ₦60,000	-	-	-
Above ₦60,001	6	6	6
Number of directors who had no emoluments	None	None	None
(iv) **Employees remunerated at higher rates:** The number of employees in receipt of emoluments within the following ranges were:-			
₦200,000 - ₦300,000	70	82	73
₦300,001 - ₦400,000	39	47	47
₦400,001 - ₦500,000	50	50	50
₦500,001 - ₦600,000	26	26	26
Above ₦600,001	51	50	53
(v) **Staff Costs:** The number of persons employed at 31st January 2021 and the staff costs were as follows:			
Managerial	14	16	16
Intermediate staff	51	53	59
Junior staff	171	186	174
	236	**255**	**249**

The related staff costs amounted N264,649,600 *(2020- N326,388,300)*

(vi) **Key management compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

	30-Apr-21	30-Apr-20	30-Apr-20
Key management compensation includes:			
Short term employee benefits:			
Wages and salaries:			
Directors emoluments	477	477	682
Post employment benefits:			
Defined contribution plan	24,487	22,248	21,812
	24,964	22,725	22,494

26 Dividends Proposed and Paid

	30-Apr-21	30-Apr-20	30-Apr-20
Dividends on ordinary shares declared and paid during the year			
Proposed dividend for 2020: 12.5 kobo per share (2019: 12.5 kobo per share)	220,165	220,165	220,166

27 Earning Per Share

a. Basic

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

	30-Apr-21	30-Apr-20	Apr 30 2020
Weighted average number of shares in issue ('000)	1,761,324	1,761,324	1,761,322
Profit attributable to ordinary equity shareholders (N'000)	624,263	309,344	393,052
Basic earning per share (Kobo)	35.44	17.56	22.32

b. Diluted

There were no potentially diluted shares outstanding at 30th April 2021

28 Financial Risk Management and Financial Instruments

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

- credit risk
- liquidity risk
- market risk

Risk management framework

The Management Executive Committee (Mexcom) has overall responsibility for the establishment and oversight of the Company's risk management framework. The Mexcom has established the Risk Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies identify and analyze 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 will be reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its regular training and management standards and procedures, will develop a disciplined and constructive control environment in which all its employees understand their roles and obligations after which regular reviews of risk management controls and procedures are undertaken by the internal audit department, the results of which are reported to the Risk Management Committee .

The Company's Board of Directors will oversee and monitor compliance with the Company's risk management policies and procedures, and will review the adequacy of the risk management framework in relation to the risks faced by the Company.

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 customers and other related parties.

The carrying amount of financial assets represent the maximum credit exposure.

	30-Apr-21	30-Apr-20	Apr 30 2020
	₦'000	**₦'000**	**₦'000**
Trade and other receivables	1,043,655	712,425	744,764
Cash and cash equivalents	102,777	147,477	167,620
	1,146,432	**859,902**	**912,384**

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 assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's general rule is to ensure that cash flow on its contracts is positive or less neutral.

Typically, the Company's credit term with customers are more favourable compared to payment terms to its vendors in order to help provide sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of netting agreements.

c. Market Risk

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

The Company manages market risks by keeping cost low through various optimization programmes. Moreover, market developments are monitored and discussed regularly and mitigating actions are taken where necessary.

Currency Risk

d. The Company is exposed to currency risk on revenue and purchases that are denominated in a currency other than its functional currency, the Naira. The currencies in which these transactions primarily are denominated are Pound Sterling (£), Euro (€) and the US Dollar (USD). The currency risk is that the fair value or 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 has no export sales. Thus the exposure to currency risk in that regard is non existence. The Company's significant exposure to currency risk relates to its importation of various materials and other property, plant and equipment. Although the Company has various measures to mitigate exposure to foreign exchange rate movement, over the longer term, however, permanent changes in exchange rates would have an impact on profit. The Company monitors the movement in the currency rates on an ongoing basis.

29 Defined Contribution Scheme:

The company complies with the provisions of the Pension Fund Reform Act 2014 whereby employer contributes 10% and employee contributes 8% of basic, housing and transport allowances on monthly basis. Both employer and employee contributions are remitted monthly to the employees' chosen Pension Fund Administrators (PFA). Employers contribution amounting to ₦24.5million (2020: ₦22.2 million) has been charged to income statement.

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30 Event after Reporting Date:

The Directors are of the opinion that there are no events after the reporting date, which could have had material effect on the state of affairs of the Company at 30th April, 2021 and on the Statement of Profit or Loss and Other Comprehensive Income for the year ended on that date, which have not been adequately provided for or recognized.

31 Security Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule), Cutix Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy undergoes periodic reviews by the Board and is updated accordingly The Company has made specific inquiries of all its Directors and other insiders and is not aware of any infringement on the security trading policy during the period

CUTIX PLC Free Float Computation

Shareholding Structure/Free Float Status

Description	30-Apr-21		30-Apr-20	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	1,761,322,026	100%	1,761,322,026	100%
Substantial Shareholdings (5% and above)				
Uzodike Gilbert Obiajulu	185,461,657	10.53%	180,344,452	10.24%
R.C Onyeje & Company (Nig) Ltd	110,832,000	6.29%	110,832,000	6.29%
Nsoedo Samuel	108,166,666	6.14%	108,666,666	6.17%
Nigerian Reinsurance Corporation	106,666,666	6.06%	106,666,666	6.06%
Nzewi Christopher Emengini	91,796,240	5.21%	91,796,240	5.21%
AMI Nigeria Limited	90,187,982	5.12%	90,187,982	5.12%
Total Substantial Shareholdings	693,111,211	39.35%	688,494,006	39.09%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Amb. Okwudili Nwosu (Direct)	70,414,398	4.00%	70,414,398	4.00%
Mrs Oduonye Ijeoma Agnes (Direct)	5,120,000	0.29%	2,400,000	0.14%
Barr (Mrs.) Ifeoma Nwahiri Ngozi (Direct)	6,784,236	0.39%	6,784,236	0.39%
Barr (Mrs.) Ifeoma Nwahiri (Indirect -representing Uzodike Gilbert Obiajulu)		0.00%		0.00%
Dr Chidozie Nsoedo (Indirect-Representing Nsoedo Samuel & R.C. Onyeje & Company (Nig) Ltd)		0.00%		0.00%
Mrs Ijeoma Ezeasor	0		0	
Mr Ariyo Olushekun	80,000	0.00%	0	
Sir Matthias Umego Aghara (Direct)	1,348,720	0.08%	1,201,320	0.07%
Mr Okonkwo Godwin Ike	1,185,933	0.067%	0	0.00%
Mr Okonkwo Godwin Ike (Indirect-representing Kenval Properties Ltd)	666,666	0.038%	666,666	0.038%
Mr Olushekun Muritala Ariyo	80,000	0.00%	0	0.00%
Total Directors' Shareholdings	85,679,953	4.86%	81,466,620	4.63%
Other Influential Shareholdings				
NIL	0	0.00%	0	0.00%
Total Other Influential Shareholdings	0	0.00%	0	0.00%
Free Float in Units and Percentage	982,530,862	55.78%	991,361,400	56.29%
Free Float in Value	2,171,393,205		1,397,819,574	

Declaration:

(A) CUTIX PLC with a free float percentage of 55.78% as at 30th April 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.	
(B) CUTIX PLC has a free float value of N2,171,393,2405 as at 30th April 2021.	