

**CUTIX PLC**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31ST JULY, 2021**

# CUTIX PLC

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**CUTIX PLC**  
**FINANCIAL HIGHLIGHT**  
**FOR THE PERIOD ENDED 31ST JULY 2021**

Company	Unaudited 31/07/2021	Unaudited 31/07/2020	Increase/ (Decrease)	
	N'000	N'000	N'000	%
Total Assets	4,617,749	3,776,672	841,077	22%
Total Liabilities	2,001,589	1,770,350	231,239	13%
Net Assets	2,299,394	2,006,321	293,073	15%
Capital Expenditure	9,828	39,468	(29,640)	-75%
Authorised Share Capital	1,435,802	1,435,802	-	0%
Paid-up Share Capital	880,661	880,661	-	0%
Total Equity	2,299,394	2,006,321	293,073	15%
No. of Shares in Issue	1,761,322	1,761,322	-	0%
Revenue	1,856,523	1,482,011	374,512	25%
Profit Before Taxation	205,061	200,684	4,377	2%
Taxation - Income Tax	(65,620)	(70,240)	4,620	-7%
Taxation - Deferred Tax	(196,766)	(180,904)	(15,862)	9%
Profit After Taxation	139,442	130,445	8,997	7%
<b>Per Share Data:</b>				
Earnings per share - Actual (kobo)	7.92	7	1	13%
Earnings per share - Adjusted (kobo)	7.92	7	1	13%
Total assets per share (kobo)	262.18	214	48	23%

Share price (Kobo)

481.00

165

316

192%

# CUTIX PLC

## CONSOLIDATED AND SEPARATE STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST JULY 2021

	Notes	Group					Company			
		3 months 1/5/21-31/7/21	1st quarter ended 31/07/2021	3 months 1/5/20-31/7/20	1st quarter ended 31/07/2020	Audited May'20- April'21	3 months 1/5/21- 31/7/21	1st quarter ended 31/07/2021	3 months 1/5/20- 31/7/20	1st quarter ended 31/07/2020
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	6	1,856,627	1,856,627	1,482,011	1,482,011	6,749,840	1,856,523	1,856,523	1,482,011	1,482,011
Cost of Sales	7	(1,390,166)	(1,390,166)	(1,089,772)	(1,089,772)	(5,012,265)	(1,389,001)	(1,389,001)	(1,089,772)	(1,089,772)
<b>Gross Profit</b>		<b>466,461</b>	<b>466,461</b>	<b>392,239</b>	<b>392,239</b>	<b>1,737,575</b>	<b>467,522</b>	<b>467,522</b>	<b>392,239</b>	<b>392,239</b>
Distribution Expenses	8	(43,507)	(43,507)	(28,479)	(28,479)	(131,934)	(43,349)	(43,349)	(28,479)	(28,479)
Administrative Expenses	9	(187,989)	(187,989)	(130,100)	(130,100)	(581,940)	(186,788)	(186,788)	(130,100)	(130,100)
<b>Operating (Loss)/ Profit</b>		<b>234,965</b>	<b>234,965</b>	<b>233,660</b>	<b>233,660</b>	<b>1,023,701</b>	<b>237,385</b>	<b>237,385</b>	<b>233,660</b>	<b>233,660</b>
Other Income	10	16,158	16,158	13,388	13,388	49,323	16,158	16,158	13,388	13,388
Finance Cost	11	(48,482)	(48,482)	(46,363)	(46,363)	(173,198)	(48,482)	(48,482)	(46,363)	(46,363)
<b>Profit Before Tax</b>	12	<b>202,641</b>	<b>202,641</b>	<b>200,685</b>	<b>200,685</b>	<b>899,827</b>	<b>205,061</b>	<b>205,061</b>	<b>200,685</b>	<b>200,685</b>
Income Tax Expense	13	(65,620)	(65,620)	(70,240)	(70,240)	(305,804)	(65,620)	(65,620)	(70,240)	(70,240)
<b>Profit for the Year</b>		<b>137,021</b>	<b>137,021</b>	<b>130,445</b>	<b>130,445</b>	<b>594,023</b>	<b>139,442</b>	<b>139,442</b>	<b>130,445</b>	<b>130,445</b>
<b>Other Comprehensive Income</b>										
Goodwill written off						(50,938)				
<b>Total Comprehensive Income for the year</b>										
Total Comprehensive Income		<b>137,021</b>	<b>137,021</b>	<b>130,445</b>	<b>130,445</b>	<b>543,085</b>	<b>139,442</b>	<b>139,442</b>	<b>130,445</b>	<b>130,445</b>
Earnings per Share (Kobo) - B		7.8	7.8	7	7	31	7.9	7.9	7	7

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

# CUTIX PLC

## CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31ST JULY, 2021

	Note	Group			Company	
		Unaudited as at 31/7/2021 N'000	Unaudited as at 31/7/2020	Audited as at 30/4/2021 N'000	Unaudited as at 31/7/2021 N'000	Unaudited as at 31/7/2020 N'000
<b><u>Assets:</u></b>						
<b>Non-Current Assets</b>						
Property, Plant and Equipment	14	952,179	812,858	997,158	822,767	812,858
Intangible Assets	15	4,174	5,692	4,553	4,174	5,692
Long Term Prepayments	16	1,967	1,976	3,665	1,967	1,976
Investment	17			-	170,267	
<b>Total Non-Current Assets</b>		<b>958,319</b>	<b>820,526</b>	<b>1,005,376</b>	<b>999,174</b>	<b>820,526</b>
<b>Current Assets</b>						
Inventories	18	2,950,824	1,790,639	2,433,424	2,520,193	1,790,639
Trade and other Receivables	19	984,987	670,010	1,227,505	979,691	670,010
Other Prepayments	20	8,068	76,333	15,310	8,068	76,333
Cash and Bank Balances	21.1	115,603	419,163	110,576	110,623	419,163
<b>Total Current Assets</b>		<b>4,059,482</b>	<b>2,956,145</b>	<b>3,786,814</b>	<b>3,618,575</b>	<b>2,956,145</b>
<b>Total Assets</b>		<b>5,017,801</b>	<b>3,776,671</b>	<b>4,792,192</b>	<b>4,617,749</b>	<b>3,776,671</b>
<b><u>Equity and Liabilities</u></b>						
<b><u>Equity:</u></b>						
<b>Capital and Reserves</b>						
Share Capital	23	880,661	880,661	880,661	880,661	880,661
Retained Earnings	24	1,477,770	1,125,660	1,275,129	1,418,733	1,125,660
<b>Total equity attributable to owners of the Company</b>		<b>2,358,431</b>	<b>2,006,321</b>	<b>2,155,790</b>	<b>2,299,394</b>	<b>2,006,321</b>
<b><u>Liabilities:</u></b>						
<b>Non-Current Liabilities</b>						
Deferred Tax Liabilities	13.3	200,848	180,904	200,848	196,766	180,904
Borrowings	25	-	238,154	81,844	-	238,154
<b>Total Non-Current Liabilities</b>		<b>200,848</b>	<b>419,058</b>	<b>282,692</b>	<b>196,766</b>	<b>419,058</b>
<b>Current Liabilities</b>						
Short Term Borrowings	26	1,185,209	847,924	1,463,102	1,185,209	847,924
Trade and other Payables	22	983,372	306,170	600,668	526,439	306,170
Current Tax Liabilities	13.1	289,941	197,198	289,941	289,941	197,198
<b>Total Current Liabilities</b>		<b>2,458,522</b>	<b>1,351,292</b>	<b>2,353,711</b>	<b>2,001,589</b>	<b>1,351,292</b>
<b>Total Liabilities</b>		<b>2,659,370</b>	<b>1,770,350</b>	<b>2,636,402</b>	<b>2,198,355</b>	<b>1,770,350</b>
<b>Total Equity and Liabilities</b>		<b>5,017,801</b>	<b>3,776,671</b>	<b>4,792,192</b>	<b>4,497,749</b>	<b>3,776,671</b>

The Financial Statements on pages 17 to 21 and Notes to the Financial Statement on pages 22 to 38 were approved by the Board of Directors on August 26, 2021 and signed on its behalf by:



Amb. Okwudili Nwosu  
Chairman  
FRC/2019/NSE/00000019801



Mrs. Ijeoma Oduoye  
Chief Executive Officer  
FRC/2016/ICSAN/00000015363



Mrs. Favour Oti  
Chief Financial Officer  
FRC/2018/ICAN/00000017811

# CUTIX PLC

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST JULY, 2021

<b>Group</b>			
	Share Capital	Retained Earnings	Total
	N'000	N'000	N'000
<b>Balance at May 1, 2021</b>	<b>880,661</b>	<b>1,275,129</b>	<b>2,155,790</b>
Changes in Equity for the year			-
Revaluation Reserve			-
Profit for the year		202,641	<b>202,641</b>
Other Comprehensive items for the year			-
Total Equity in the year	<b>880,661</b>	<b>1,477,770</b>	<b>2,358,431</b>
<b>Transactions with owners recorded directly in Equity</b>			
Dividend paid during the year			
<b>Unclaimed Dividend written back</b>			
Total Transactions with owners			
<b>At July 31, 2021</b>	<b>880,661</b>	<b>1,477,770</b>	<b>2,358,431</b>
<b>Balance at May 1, 2020</b>	<b>880,661</b>	<b>924,977</b>	<b>1,805,638</b>
Changes in Equity for the year			
Revaluation Reserve			
Profit for the year		200,685	
Other Comprehensive Income for the year			
Total Equity in the year	<b>880,661</b>	<b>1,125,660</b>	<b>2,006,321</b>
<b>Transactions with owners recorded directly in Equity</b>			
Dividend paid during the year			
<b>Unclaimed Dividend written back</b>			
Total Transactions with owners			
<b>At July 31, 2020</b>	<b>880,661</b>	<b>1,125,660</b>	<b>2,006,321</b>
<b>Company</b>			

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31ST JULY, 2021**

	Share Capital N'000	Retained Earnings N'000	Total N'000
<b>Balance at May 1, 2021</b>	<b>880,661</b>	<b>1,333,672</b>	<b>2,214,332</b>
Changes in Equity for the year			
Revaluation Reserve			
Profit for the year		85,061	
Other Comprehensive Income for the year			
Total Equity in the year	<b>880,661</b>	<b>1,418,733</b>	<b>2,299,394</b>
<b>Transactions with owners recorded directly in equity</b>			
Dividend paid during the year			
<b>Unclaimed Dividend written back</b>			
Total transactions with owners			
<b>At July 31, 2021</b>	<b>880,661</b>	<b>1,418,733</b>	<b>2,299,394</b>
<b>Balance at May 1, 2020</b>			
Changes in Equity for the year	<b>880,661</b>	<b>924,977</b>	<b>1,805,638</b>
Revaluation Reserve			
Profit for the year		<b>200,684</b>	<b>200,684</b>
Other Comprehensive Income for the year	<b>880,661</b>	<b>1,125,660</b>	<b>2,006,321</b>
Total Equity in the year			
<b>Transactions with owners recorded directly in Equity</b>			
Dividend paid during the year			
<b>Unclaimed Dividend written back</b>			
Total transactions with owners			
<b>At July 31, 2020</b>	<b>880,661</b>	<b>1,125,660</b>	<b>2,006,321</b>



# CUTIX PLC

## CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST JULY, 2021

	Note	Group		Company	
		31/07/2021 N'000	31/7/2020 N'000	30/7/2021 N'000	30/7/2020 N'000
<b>Cashflow from Operating Activities</b>					
Cash Receipts from Customers		2,115,301	1,570,153	2,115,430	1,570,153
Cash Paid to Suppliers and Employees		(1,610,503)	(1,066,512)	(1,610,249)	(1,066,512)
Value Added Tax - Input		18,793	10,516	18,793	10,516
Value Added Tax - (Output)		(103,923)	(83,053)	(103,923)	(83,053)
<b>Cash Generated from Operations</b>		<b>419,668</b>	<b>431,104</b>	<b>420,051</b>	<b>431,104</b>
Income Taxes paid through WHT			(13,040)		(13,040)
Tax Paid	13.1		(62,612)		(62,612)
<b>Net cash generated /(used) from Operating Activities</b>		<b>419,668</b>	<b>355,452</b>	<b>420,051</b>	<b>355,452</b>
<b>Cashflow from Investing Activities</b>					
Purchase of Property, Plant and Equipment	14	(9,828)	(39,090)	(9,828)	(39,090)
Purchase of Intangible Assets	15				
Acquired from Business Combination	14				
Sales proceed from disposal of Assetss					
Investment - Adswitch					
<b>Net Cash used for Investing Activities</b>		<b>(9,828)</b>	<b>(39,090)</b>	<b>(9,828)</b>	<b>(39,090)</b>
<b>Cashflow from financing Activities</b>					
Dividend paid					
Unclaimed Dividend written back			-		-
Finance Costs		(48,482)	(46,363)	(48,482)	(46,363)
Long Term Borrowing	25	(81,843)	(89,459)	(81,844)	(89,459)
Short Term Borrowing	26	(274,487)	71,003	(277,892)	71,003
<b>Net Cash (used)/ generated in Financing Activities</b>		<b>(404,812)</b>	<b>(64,819)</b>	<b>(408,218)</b>	<b>(64,819)</b>
Net Increase in Cash and Cash Equivalents		5,028	251,543	2,005	251,543
Cash and Cash Equivalents at beginning of year	21.1	110,575	167,620	108,618	167,620
<b>Cash and Cash Equivalents at end of year</b>	21.1	<b>115,603</b>	<b>419,163</b>	<b>110,623</b>	<b>419,163</b>

CUTIX PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 31ST JULY, 2021

	Group		Company			
	31/7/2021 N'000	31/7/2020 N'000	Audited Apr 30, 2021 N'000	30/7/2021 N'000	30/7/2020 N'000	Audited Apr 30, 2021 N'000
6 Revenue						
Analysis of the Company's Revenue is as follows:						
Cables and Wire Sales	1,394,220	1,162,130	4,595,204	1,394,220	1,162,130	4,595,204
Metal Product Sales	1,127	346	5,359	1,127	346	5,359
Armored Cable Sales	461,176	319,535	2,144,958	461,176	319,535	2,144,958
Distribution Board			77			
Feeder Pillars			1,425			
Washing Machine			2,032			
Switch Panels	104		785			
	<b>1,856,627</b>	<b>1,482,011</b>	<b>6,749,840</b>	<b>1,856,523</b>	<b>1,482,011</b>	<b>6,745,521</b>

	Group		Company			
	30/7/2021 N'000	30/7/2020 N'000	Audited Apr 30, 2021 N'000	31/7/2021 N'000	7/31/2020 N'000	Audited Apr 30, 2021 N'000
7 Expenses by Nature - Cost of Sales						
Depreciation Expenses - Production	48,037	30,897	152,201	47,244	30,897	149,028
Insurance - Production	2,688	2,945	11,147	2,688	2,945	11,147
Maintenance - Production	20,396	16,681	62,487	20,386	16,681	62,200
Power Charges	9,045	8,016	47,711	9,045	8,016	47,711
Production Supplies	47,836	28,942	211,641	47,836	28,942	211,478
Production Wages	30,851	53,646	126,758	30,573	53,646	125,798
Raw Material Costs	1,226,858	941,154	4,176,466	1,226,774	941,154	4,172,947
Production Incentive			186,858	-		186,858
Motor Vehicle - COS	4,455	7,491	36,995	4,455	7,491	36,995
Obsolete stock written off			-			
	<b>1,390,166</b>	<b>1,089,772</b>	<b>5,012,265</b>	<b>1,389,001</b>	<b>1,089,772</b>	<b>5,004,162</b>

8 Expenses by Nature - Selling and Distribution Expenses						
Distribution Expenses	13,466	14,287	112,967	13,366	14,287	112,967
Advertisement and Promotions	30,041	14,192	18,967	29,983	14,192	18,768
	<b>43,507</b>	<b>28,479</b>	<b>131,934</b>	<b>43,349</b>	<b>28,479</b>	<b>131,735</b>

	Group		Company			
	31/7/2021 N'000	31/7/2020 N'000	Audited Apr 30, 2021 N'000	31/7/2021 N'000	31/7/2020 N'000	Audited Apr 30, 2021 N'000
9 Expenses by Nature - Administrative						
Amortisation Charge	9,341	379	1,518	9,341	379	1,518
Audit Fees	1,007	900	4,500	1,000	900	4,000
Bad Debt	2,755	750	3,161	2,755	750	3,161
Bank Charges	3,626	2,502	12,850	3,626	2,502	12,838
Communication Expenses	3,804	3,330	10,711	3,802	3,330	10,702
Corporate Social Responsibility	2,350	1,850	7,154	2,350	1,850	7,154
Depreciation	6,771	8,876	34,843	6,771	8,876	34,773
Directors' Emolument	3,458	2,881	11,525	3,458	2,881	11,525
Entertainment Expenses	2,787		6,013	2,787		6,013
Insurance	2,253	2,366	9,145	2,253	2,366	9,145
Licensing & Fees			4,266	-		4,266
Medical and Welfare	18,490	12,952	35,040	18,490	12,952	35,040
Pension (Management Contribution)	6,972	4,247	31,103	6,972	4,247	31,103
Printing and Stationeries	1,316	1,726	8,276	1,260	1,726	8,241
Professional Services	1,175	1,000	5,339	1,175	1,000	5,339
Rent and Rates	5,742	4,676	16,162	5,742	4,676	16,126
Repairs and Maintenance	851	2,252	8,247	654	2,252	7,950
Research and Development	705	733	1,971	705	733	1,921
Retirement Benefits	7,943		40,689	7,943		40,689
Security Expenses			2,421	-		2,421
Staff Salaries	69,323	46,415	204,133	68,706	46,415	202,275
Subscriptions and Periodicals	1,598	1,468	13,168	1,568	1,468	13,060
Training and Development	7,771	4,583	19,075	7,771	4,583	19,075
Transport and Traveling	22,302	21,325	75,930	22,072	21,325	75,661
Utility Expenses	2,763	2,703	8,697	2,702	2,703	8,319
Vehicle Operating Expenses	2,886	2,186	6,003	2,886	2,186	6,003
	<b>187,989</b>	<b>130,100</b>	<b>581,940</b>	<b>186,788</b>	<b>130,100</b>	<b>578,318</b>

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 31ST JULY, 2021

	31/7/2021 N'000	31/7/2020 N'000	Audited Apr 30, 2021 N'000	31/7/2021 N'000	31/7/2020 N'000	Audited Apr 30, 2021 N'000
10 Other Income					2186	
Profit/(Loss) on sale of Property, Plant and Equipment			(12,418)			(12,418)
Foreign Exchange Difference			11,796			11,796
Sales of Scrap	16,158	13,388	49,946	16,158	13,388	49,946
	<b>16,158</b>	<b>13,388</b>	<b>49,324</b>	<b>16,158</b>	<b>13,388</b>	<b>49,324</b>

Exchange gain relates to both realised and unrealised difference on translation of foreign denominated balances as at the reporting date.

	Group			Company		
	7/31/2021 N'000	7/31/2020 N'000	Audited Apr 30, 2021 N'000	31/7/2021 N'000	7/31/2020 N'000	Audited Apr 30, 2021 N'000
11 Finance Cost						
Interest on Term Loans	17,010	20,337	64,232	17,010	20,337	64,232
Interest on Commercial Papers	11,400	15,584	66,623	11,400	15,584	66,623
Interest on Overdraft	20,072	10,442	42,343	20,072	10,442	42,343
	<b>48,482</b>	<b>46,363</b>	<b>173,198</b>	<b>48,482</b>	<b>46,363</b>	<b>173,198</b>
12 Profit for the year before Taxation						
(Loss)/Profit before Taxation has been arrived at after charging/(crediting):						
Directors' Fees	86	179	716	86	179	716
Directors Remuneration	3,372	2,124	6,438	3,372	2,124	6,438
Audit Fees	1,000	900	4,500	1,000	900	4,000
Finance Cost	48,482	46,363	173,198	48,482	46,363	173,198
Depreciation of Property, Plant and Equipment (Note 14)	54,015	39,773	187,045	54,015	39,773	153,522
Amortisation	9,341		1,518	9,341		1,518
And after Crediting:						
Other Income	16,158	13,388	37,528	16,158	13,388	37,528
Exchange Gain	-		11,796	-		11,796
13 Tax Expense						
13.1 Income Tax recognised in Profit or Loss						
<b>Current Tax</b>						
<u>Current Tax expense for Current year:</u>						
Income Tax	27,220	70,240	268,102	65,620	70,240	268,102
Education Tax			21,809			21,809
NPTF Levy			30			30
Deferred Tax (Note 13.3)			15,863			15,863
Balance Per Income Statement	<b>27,220</b>	<b>70,240</b>	<b>305,804</b>	<b>65,620</b>	<b>70,240</b>	<b>305,804</b>

Current Liabilities in the Statement of Financial Position

	Group			Company		
	7/31/2021 N'000	7/31/2020 N'000	Audited Apr 30, 2021 N'000	31/7/2021 N'000	7/31/2020 N'000	Audited Apr 30, 2021 N'000
Taxation on Profit on Ordinary Activities			268,102			268,102
Education Tax			21,809			21,809
NPTF Levy			30			30
			<b>289,941</b>			<b>289,941</b>
Balance Brought Forward	289,941	272,850	272,850	289,941	272,850	272,850
Payments During The Year		(62,612)	(259,778)		(62,612)	(259,778)
Withholding Tax Utilised		(13,040)	(13,071)		(13,040)	(13,071)
Balance per Statement of Financial Position	<b>289,941</b>	<b>197,198</b>	<b>289,941</b>	<b>289,941</b>	<b>197,198</b>	<b>289,941</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31ST JULY, 2021**

	<i>Group</i>			<i>Company</i>		
	31/7/2021 N'000	31/7/2020 N'000	Audited Apr 30, 2021 N'000	31/7/2021 N'000	31/7/2020 N'000	Audited Apr 30, 2021 N'000
<b>13.2 Deferred Tax</b>						
At May 1, 2021	196,766	180,904	180,903	196,766	180,904	180,903
Charged to Profit or Loss			15,863			15,863
At July 31, 2021	<b>196,766</b>	<b>180,904</b>	<b>196,766</b>	<b>196,766</b>	<b>180,904</b>	<b>196,766</b>
<b>Reconciliation of Effective Tax Rate</b>						
Profit for the year	137,021	130,445	594,023	139,442	130,445	601,627
Total Income Tax Expense	65,620	70,240	289,941	27,220	70,240	289,941
Profit excluding Deferred Tax	<b>202,641</b>	<b>200,685</b>	<b>883,964</b>	<b>166,662</b>	<b>200,685</b>	<b>891,568</b>
<b>Effective Tax Rate</b>	<b>32%</b>	<b>35%</b>	<b>33%</b>	<b>16%</b>	<b>35%</b>	<b>33%</b>

The charge for Taxation has been computed in accordance with the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 as amended to date and Education Tax Act CAP E4 LFN 2004. The Company has adopted the International Accounting Standard (IAS) 12 on the Income Taxes.

**13.3 Deferred Tax**

	<i>Group</i>			
	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
As at July 31, 2021				
Deferred Tax Liability or Asset in relation to:	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Property, Plant and Equipment	200,848			200,848
	<b>200,848</b>	<b>-</b>	<b>-</b>	<b>200,848</b>
As at July 31, 2020				
Deferred Tax Liability or Asset in relation to:	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Property, Plant and Equipment	180,904			180,904
	<b>185,650</b>	<b>-</b>	<b>-</b>	<b>180,902</b>

	<i>Company</i>			
	Opening Balance	Recognised in Profit or Loss	Recognised in OCI	Closing Balance
As at July 31, 2021				
Deferred Tax Liability or Asset in relation to:	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Property, Plant and Equipment	196,766			196,766
	<b>196,766</b>	<b>-</b>	<b>-</b>	<b>196,766</b>
As at July 31, 2020				
Deferred Tax Liability or Asset in relation to:	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Property, Plant and Equipment	180,904			180,904
	<b>180,904</b>	<b>-</b>	<b>-</b>	<b>180,904</b>

CUTIX PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)  
AS AT 31ST JULY, 2021

14 Property, Plant and Equipment

	Group											
	Land	Buildings & Infrastructure	Shops	Borehole & Tanks	Generating Sets	Machine Components	Plant & Machinery & Equipment	Motor Vehicles	Computer Equipment	Furniture & Fittings	Capital Work in Progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b><u>Cost:</u></b>												
As at May 1, 2021	205,383	456,393	4,200	24,276	152,664	13,776	957,065	274,371	89,202	52,176	6,314	2,235,820
Additions							8,840		398	590		9,828
Reclassification					47,837		(47,837)					-
Disposals												-
<b>Balance at July 31, 2021</b>	<b>205,383</b>	<b>456,393</b>	<b>4,200</b>	<b>24,276</b>	<b>200,501</b>	<b>13,776</b>	<b>918,068</b>	<b>274,371</b>	<b>89,600</b>	<b>52,766</b>	<b>6,314</b>	<b>2,245,648</b>
<b><u>Depreciation</u></b>												
As at May 1, 2021	-	112,005	1,260	20,661	89,336	7,617	701,261	182,767	87,054	36,701	-	1,238,661
Depreciation for the year	-	3,608	35	336	17,438	1,806	18,526	9,969	2,088	1,003	-	54,808
Disposals	-											-
<b>Balance at July 31, 2021</b>	<b>-</b>	<b>115,613</b>	<b>1,295</b>	<b>20,997</b>	<b>106,774</b>	<b>9,423</b>	<b>719,787</b>	<b>192,736</b>	<b>89,142</b>	<b>37,703</b>	<b>-</b>	<b>1,293,469</b>
<b><u>Carrying amount:</u></b>												
As at July 31, 2021	205,383	340,780	2,905	3,279	93,728	4,353	198,281	81,635	458	15,063	6,314	952,179
As at July 31, 2020	62,383	284,720	3,045	3,701	122,124	5,067	238,624	69,855	(551)	19,452	4,438	812,858
As at April 30, 2021	205,383	344,388	2,940	3,615	63,329	6,158	255,804	91,604	2,148	15,476	6,314	997,158

Company

	Land	Buildings & Infrastructure	Shops	Borehole & Tanks	Generating Sets	Machine Components	Plant & Machinery & Equipment	Motor Vehicles	Computer Equipment	Furniture & Fittings	Capital Work in Progress	Total
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**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**AS AT 31ST JULY, 2021**

	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b><u>Cost:</u></b>												
As at May 1, 2021	137,383	386,261	4,200	24,276	152,664	13,776	942,867	274,371	86,926	50,094	6,314	2,079,132
Additions							8,840		398	590		9,828
Reclassification					47,837		(47,837)					-
Disposals												-
14 <b>Balance at July 31, 2021</b>	<b>137,383</b>	<b>386,261</b>	<b>4,200</b>	<b>24,276</b>	<b>200,501</b>	<b>13,776</b>	<b>903,870</b>	<b>274,371</b>	<b>87,324</b>	<b>50,684</b>	<b>6,314</b>	<b>2,088,960</b>
<b><u>Depreciation</u></b>												
As at May 1, 2021	-	103,389	1,260	20,661	89,336	7,617	687,753	182,767	84,778	34,618	-	1,212,179
Depreciation for the year	-	3,169	35	336	17,438	1,806	18,171	9,969	2,088	1,003	-	54,015
Disposals	-											-
<b>Balance at July 31, 2021</b>	<b>-</b>	<b>106,558</b>	<b>1,295</b>	<b>20,997</b>	<b>106,774</b>	<b>9,423</b>	<b>705,924</b>	<b>192,736</b>	<b>86,866</b>	<b>35,621</b>	<b>-</b>	<b>1,266,193</b>
<b><u>Carrying amount:</u></b>												
As at July 31, 2021	<b>137,383</b>	<b>279,702</b>	<b>2,905</b>	<b>3,279</b>	<b>93,728</b>	<b>4,353</b>	<b>197,946</b>	<b>81,635</b>	<b>458</b>	<b>15,063</b>	<b>6,314</b>	<b>822,767</b>
As at July 31, 2020	<b>62,383</b>	<b>284,720</b>	<b>3,045</b>	<b>3,701</b>	<b>122,124</b>	<b>5,067</b>	<b>238,624</b>	<b>69,855</b>	<b>(551)</b>	<b>19,452</b>	<b>4,438</b>	<b>812,858</b>
As at April 30, 2021	<b>137,383</b>	<b>282,871</b>	<b>2,940</b>	<b>3,615</b>	<b>63,329</b>	<b>6,158</b>	<b>255,114</b>	<b>91,604</b>	<b>2,148</b>	<b>15,476</b>	<b>6,314</b>	<b>866,953</b>

# CUTIX PLC

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 31ST JULY, 2021

15 Intangible Assets	Goodwill	Software	Total
<b>Group</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b><u>Cost:</u></b>			
Balance at May 1, 2021	50,938	7,589	<b>58,527</b>
Additions			-
Arising from Business Combination			50,938
Disposals			-
<b>Balance at July 31, 2021</b>	<b>50,938</b>	<b>7,589</b>	<b>58,527</b>
<b><u>Amortisation</u></b>			
Balance at May 1, 2020	50,938	3,036	53,974
Written off			
Amortisation for the year		379	379
<b>Balance at 31st July, 2021</b>	<b>50,938</b>	<b>3,415</b>	<b>54,353</b>
<b>As at July 31, 2021</b>	<b>-</b>	<b>4,174</b>	<b>4,174</b>
<b>As at July 31, 2020</b>		<b>5,692</b>	<b>5,692</b>
<b>As at April 30, 2021</b>	<b>-</b>	<b>4,553</b>	<b>4,553</b>
<b>Company</b>			
	Goodwill N'000	Software N'000	Total N'000
<b><u>Cost:</u></b>			
Balance at May 1, 2021	-	7,589	7,589
Additions	-	-	-
Arising from Business Combination (See note 36)	-	-	-
Disposals	-	-	-
<b>Balance at July 31, 2021</b>	<b>-</b>	<b>7,589</b>	<b>7,589</b>
<b><u>Amortization</u></b>			
Balance at May 1, 2021	-	3,036	3,036
Write off	-	-	-
Amortisation for the year	-	379	379
<b>Balance at July 31, 2021</b>	<b>-</b>	<b>3,415</b>	<b>3,415</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31ST JULY, 2021**

As at July 31, 2021	-	4,174	4,174
As at July 31, 2020		5,692	5,692
As at 30 April 2021	-	4,553	4,553

	<i>Group</i>			<i>Company</i>		
	31/7/2021 N'000	7/31/2020 N'000	Audited Apr 30, 2021 N'000	7/31/2021 N'000	7/31/2020 N'000	Audited Apr 30, 2021 N'000
16 <b>Prepayments</b>						
Prepayments	10,035	1,976	3,665	10,035	1,976	3,665
Prepayments - Payment on account to acquire Adswitch Plc			-			
	<b>10,035</b>	<b>1,976</b>	<b>3,665</b>	<b>10,035</b>	<b>1,976</b>	<b>3,665</b>
17 <b>Investment</b>						
Investment in Subsidiary				179,228	-	179,228
	-	-		<b>(8,961)</b>	-	
	-	-		<b>170,267</b>	-	<b>179,228</b>

		<i>Company</i>	
<b>Name of Subsidiary</b>	<b>Principal activity and operation</b>	31/7/2021	7/31/2021
		%	%
Adswitch Plc	Switch gears	100%	

	<i>Group</i>			<i>Company</i>		
	31/7/2021 N'000	7/31/2020 N'000	Audited Apr 30, 2021 N'000	7/31/2021 N'000	7/31/2020 N'000	Audited Apr 30, 2021 N'000
18 <b>Inventories</b>						
Raw materials	568,428	477,769	442,640	544,311	477,769	410,828
Work in progress	481,712	197,173	459,167	481,346	197,173	458,549
Finished goods	1,679,237	933,452	1,307,621	1,273,092	933,452	1,305,682
Technical stock and spares	211,270	170,822	215,805	211,267	170,822	215,805
Consumables	2,679	2,141	2,467	2,679	2,141	2,467
Advert and promotion	7,498	9,283	7,352	7,498	9,283	7,352
Obsolete stock			(1,628)			-
	<b>2,950,824</b>	<b>1,790,639</b>	<b>2,433,423</b>	<b>2,520,193</b>	<b>1,790,639</b>	<b>2,400,682</b>



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31ST JULY, 2021**

Advert and Promotion represents the value of promotional items in the inventory

<b>19 Trade and Other Receivables</b>						
Trade Receivable	77,810	203,786	60,120	77,810	203,786	60,120
Deposit for Imports	874,865	438,037	1,106,094	874,865	438,037	1,106,094
Staff Receivables	13,009	6,390	9,643	13,009	6,390	9,516
Other Receivables	19,303	21,798	51,647	14,007	21,798	46,711
	<b>984,987</b>	<b>670,010</b>	<b>1,227,504</b>	<b>979,691</b>	<b>670,010</b>	<b>1,222,440</b>

**19.1 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.

	<i>Group</i>			<i>Company</i>		
	<b>31/7/2021</b> <b>N'000</b>	<b>7/31/2020</b> <b>N'000</b>	<b>Audited Apr</b> <b>30, 2021</b> <b>N'000</b>	<b>7/31/2021</b> <b>N'000</b>	<b>7/31/2020</b> <b>N'000</b>	<b>Audited Apr</b> <b>30, 2021</b> <b>N'000</b>
<b>20 Other Prepayments</b>						
Prepayments	10,035	78,309	18,975	10,035	78,309	18,975
Prepayments due after one year	(1,967)	(1,976)	(3,665)	(1,967)	(1,976)	(3,665)
Prepayments due within one year	<b>8,068</b>	<b>76,333</b>	<b>15,310</b>	<b>8,068</b>	<b>76,333</b>	<b>15,310</b>

**21.1 Cash and Cash Equivalents**

Cash Balances	386	230	313	250	230	222
Access Bank Plc	25,908	106,296	1,007	25,896	106,296	995
Ecobank Plc	388	68,649	26,971	388	68,649	26,971
Fidelity Bank Plc	17,721	2,774	1,964	12,996	2,774	207
First Bank Plc	9	3,836	9	-	3,836	-
GTB	5,552	3,633	8,194	5,552	3,633	8,194
Heritage Bank Plc	42	-	42	-	-	-
Polaris Bank Limited	246	6,723	464	246	6,723	464
Sterling Bank Plc	1,994	2,980	500	1,994	2,980	500
Union Bank of Nigeria Plc	17,154	33,676	17,260	17,117	33,676	17,223

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31ST JULY, 2021**

United Bank for Africa Plc	45,033	178,864	51,822	45,014	178,864	51,813
Zenith Bank Plc	1,170	11,502	2,030	1,170	11,502	2,030
<b>Cash and Bank balance</b>	<b>115,603</b>	<b>419,163</b>	<b>110,576</b>	<b>110,623</b>	<b>419,163</b>	<b>108,618</b>

The carrying amount are approximately equal to their Fair Value.

21.2 **Reconciliation of Net Income to Net Cash Provided by Operating Activities:**

	Group		Company	
	7/31/2021 N'000	7/31/2020 N'000	7/31/2021 N'000	7/31/2020 N'000
Profit before finance costs	251,124	247,048	253,543	247,048
<b>Adjustments for:</b>				
Depreciation of Property, Plant and Equipme	54,808	39,773	54,014	39,773
Amortisation	9,341		9,341	
Profit or (loss) on asset disposal			-	
<b>Cash (used)/ generated from Operations</b>	<b>315,273</b>	<b>286,821</b>	<b>316,898</b>	<b>286,821</b>
<b>Changes in Working Capital:</b>				
(Increase)/Decrease in Inventories	(200,634)	(7,668)	(119,510)	(7,668)
(Increase)/Decrease in Trade and other Receivables &	251,457	109,846	251,691	109,846
Increase/(Decrease) in Trade and other Payables	173,570	42,105	(29,030)	42,105
<b>Total adjustments</b>	<b>224,395</b>	<b>144,283</b>	<b>103,152</b>	<b>144,283</b>
<b>Cash Generated from Operations</b>	<b>539,668</b>	<b>431,104</b>	<b>420,050</b>	<b>431,104</b>

22 <b>Trade and other Payables</b>						
Trade Payables	190,807	85,706	131,731	184,824	85,706	131,573
Accruals	792,278	220,177	439,495	341,328	220,177	394,453
Other Payables	286	286	29,442	286	286	29,442
	<b>983,372</b>	<b>306,170</b>	<b>600,668</b>	<b>526,438</b>	<b>306,170</b>	<b>555,468</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31ST JULY, 2021**

23 **Share Capital**

**Authorised:**

2,871,603,392

Ordinary Shares of 50k each

**1,435,802**

**1,435,802**

**1,435,802**

**1,435,802**

**Issued and fully paid**

1,761,322,026

Ordinary Shares of 50k each

**880,661**

**880,661**

**880,661**

**880,661**

**Group**

**Company**

24 **Retained Earnings**

At May 1, 2021

**7/31/2021  
N'000**

**7/31/2020  
N'000**

**Audited 30-  
Apr-2021  
N'000**

**7/31/2021  
N'000**

**7/31/2020  
N'000**

**Audited 30-  
Apr-2021  
N'000**

1,275,129

924,976

924,976

1,333,672

924,976

732,430

Transfer from Income Statement

202,641

200,684

543,085

85,061

200,684

393,052

Dividend written back

27,233

19,660

Dividend paid in the year

(220,165)

(220,166)

At July 31, 2021

**1,477,770**

**1,125,660**

**1,275,129**

**1,418,733**

**1,125,660**

**924,976**

25 **Long Term Borrowings:**

Bank of Industry (BOI)

425,570

278,257

-

425,570

278,257

Access Bank Loan

27,380

13,987

-

27,380

13,987

Additions during the year

-

-

-

-

-

Current portion (Access Bank)

(18,380)

(13,987)

-

(18,380)

(13,987)

Current portion (BOI)

(196,417)

(196,416)

-

(196,417)

(196,416)

**238,153**

**81,844**

**238,153**

**81,844**

**Bank of Industry Limited**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31ST JULY, 2021**

The company obtained Working Capital Loan from BOI at applicable interest rate of 12.5%.

**Access Bank Plc**

**26 Short Term Borrowings:**

The movement in the loan from Bank is as follows:

Access Bank Plc - Overdraft			120,108			120,108
Access Bank Plc - Current portion		18,380	13,987		18,380	13,987
First Bank Plc - Overdraft	8,560		15,631	8,560		15,631
Bank of Industry (BOI)	264,154		196,416	264,154		196,416
Union Bank of Nigeria Plc - Promissory notes		196,417	224,000		196,417	224,000
Union Bank of Nigeria Plc - Overdraft	152,219	215,373	213,180	152,219	215,373	213,180
Commercial Papers (Note 26.1)	760,276	417,754	679,779	760,276	417,754	679,779
	<b>1,185,209</b>	<b>847,924</b>	<b>1,463,102</b>	<b>1,185,209</b>	<b>847,924</b>	<b>1,463,102</b>

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

	7/31/2021	7/31/2020	Audited Apr-30-2021	7/31/2021	7/31/2020	Audited Apr-30-2021
	N'000	N'000	N'000	N'000	N'000	N'000
<b>27.0 Staff Costs</b>						
Salaries & Wages	100,174	60,286	330,891	100,061	60,286	328,073
Medical, welfare, pension and training	33,233	21,782	66,143	33,233	21,782	66,143
	<b>133,407</b>	<b>82,068</b>	<b>397,034</b>	<b>133,294</b>	<b>82,068</b>	<b>394,216</b>

**28 Directors and Employees**

**28.1 Directors' emoluments**

(i) **Chairman's Emoluments:**

As Executive

Fees

Other

	<b>Group</b>			<b>Company</b>		
	7/31/2021	7/31/2020	Audited 30-Apr-2021	7/31/2021	7/31/2020	Audited 30-Apr-2021
	339	28	153	339	28	153
	38	92	529	38	92	529
	<b>377</b>	<b>119</b>	<b>682</b>	<b>377</b>	<b>119</b>	<b>682</b>
	<b>Group</b>			<b>Company</b>		
	7/31/2021	7/31/2020	Audited 30-Apr-2021	31/07/2021	7/31/2020	Audited 30-Apr-2021

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31ST JULY, 2021**

(ii) Other Directors' Emoluments:	N'000	N'000	N'000	N'000	N'000	N'000
As Executive	2,490	1,631	7,457	2,490	1,631	7,457
Fees	384	151	848	384	151	848
Other	207	401	2,538	207	401	2,538
	<b>3,081</b>	<b>2,184</b>	<b>10,843</b>	<b>3,081</b>	<b>2,184</b>	<b>10,843</b>

(iii) **The number of Directors excluding the Chairman whose emoluments were within the following ranges were:-**

N20,000 - N40,000	-	-	-	-	-	-
N40,001 - N60,000	-	-	-	-	-	-
Above N60,001	6	6	6	6	6	6
Number of Directors who had no emoluments	None	None	None	None	None	None

(iv) **Employees remunerated at higher rates:**

The number of employees in receipt of emoluments within the following ranges were:-

N200,000 - N300,000		78	-		78	-
N300,001 - N400,000		49	-		49	-
N400,001 - N500,000	76	50	71	69	50	67
N500,001 - N600,000	36	26	18	36	26	36
Above N600,001	132	53	165	132	53	132

(v) **Staff Costs:**

The number of persons employed as at 31st July 2021 and the staff costs were as follows:

Managerial	16	16	14	14	16	13
Intermediate staff	51	53	51	51	53	51
Junior staff	177	187	171	172	187	171
	<b>244</b>	<b>256</b>	<b>236</b>	<b>237</b>	<b>256</b>	<b>235</b>

*The related staff costs amounted to N133,407,000 (2020: N82,068,000)*

(v) **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.

Key Management Compensation Includes:

Short Term Employee Benefits:						
Wages And Salaries:						
Directors Emoluments	3458	119	682	3,458	119	682

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31ST JULY, 2021**

	Post Employment Benefits: Defined Contribution Plan	6,972	4,247	24,487	6,972	4,247	24,487
		<b>10,430</b>	<b>4,366</b>	<b>25,169</b>	<b>10,429</b>	<b>4,366</b>	<b>25,169</b>
29	<b>Dividends Paid and Proposed</b> Dividends on Ordinary Shares declared and paid during the year Proposed Dividend for 2021: 15Kobo per Share (2020: 12.5 Kobo per			220,165			220,165
		220,165.00	220,165	-	220,165	220,165	-
				<b>220,165</b>			<b>220,165</b>

30 **Earnings Per Share**

(a) Basic

Basic Earnings per Share is calculated by dividing the Profit attributable to Equity Shareholders of the Company by the weighted average number of Ordinary Shares in issue during the year.

	7/31/2021	7/31/2020	Audited as at 30-Apr- 2021	7/31/2021	7/31/2020	Audited as at 30-Apr- 2021
Weighted average number of Shares in issue ('000)	1,761,324	1,761,324	1,761,322	1,761,322	1,761,324	1,761,322
Profit attributable to Ordinary Equity Shareholders (N'000)	137,021	130,445	543,085	139,442	130,445	601,627
Basic Earnings Per Share (Kobo)	7.78	13.50	30.83	7.92	13.50	34.16

31 **Financial Instruments and Risk Management**

31.1 **Capital Risk Management**

The company manages its Capital to ensure that the company will be able to continue as going concern while maximising the return to stakeholders through the optimisation equity. The Company's Capital Management strategy remained unchanged for the period under review

The Capital Structure of the Company consists of Equity attributable to Equity Shareholders of the Company, comprising Issued Capital and Retained Earnings.

The Company is not subject to any externally imposed Capital requirements.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31ST JULY, 2021**

**Gearing ratio**

The Gearing Ratio at the year end is as follows:

Debt (i)	1,185,209	1,086,078	1,544,945	1,185,209	1,086,078	1,544,945
Less: Cash and Bank balances	(115,603)	(419,163)	(110,576)	(110,623)	(419,163)	(108,618)
<b>Net debt</b>	<b>1,069,606</b>	<b>666,915</b>	<b>1,434,370</b>	<b>1,074,586</b>	<b>666,915</b>	<b>1,436,327</b>
Equity (ii)	<b>2,358,431</b>	<b>2,006,321</b>	<b>2,155,790</b>	<b>2,299,394</b>	<b>2,006,321</b>	<b>2,214,333</b>
<b>Net debt to equity ratio</b>	<b>45%</b>	<b>33%</b>	<b>67%</b>	<b>47%</b>	<b>33%</b>	<b>65%</b>

(i) Debt is defined as both current and non-current Borrowings.

(ii) Equity includes all Capital and Reserves of the Company that are managed as Capital.

**31.2 Categories of Financial Instruments**

**Financial Assets**

Loans and Receivables:

Cash and Bank Balances	115,603	419,163	110,576	110,623	419,163	108,618
Trade and other Receivables	984,987	670,010	1,227,505	979,691	670,010	1,222,441
	<b>1,100,590</b>	<b>1,089,173</b>	<b>1,338,080</b>	<b>1,090,314</b>	<b>1,089,173</b>	<b>1,331,059</b>

**Financial Liabilities**

Financial Liabilities at Amortised cost:

Borrowings	1,024,430	870,705	81,844	1,024,430	870,705	81,844
Trade and other Payables	983,372	306,170	600,668	526,439	306,170	555,468
Bank overdraft	160,779	215,373	333,289	160,779	215,373	333,289
	<b>2,168,581</b>	<b>1,392,248</b>	<b>1,015,800</b>	<b>1,711,648</b>	<b>1,392,248</b>	<b>970,601</b>

**31.3 Financial Risk Management Objectives**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31ST JULY, 2021**

The Company's Board of Directors oversees Risk Management to ensure that Financial Risks are identified, measured and managed in accordance with Company's policies for Risk. Risk Management policies and systems are reviewed regularly to reflect the changes in market conditions and the company's activities. Sensitivity analysis provide the appropriate information to monitor the net underlying Financial Risks. The company does not trade in Financial instruments, nor does it take on speculative or open positions through the use of derivatives.

**31.4 Market Risk**

Market Risk is the Risk that the fair values of Financial instruments will fluctuate because of changes in market prices. The Financial instruments held by the company that are affected by market Risk are principally the non-derivative Financial instruments which include trade and other Receivables, Cash and bank balances and trade and other payables), bank overdraft and Loans. Market Risk exposures are measured using sensitivity analysis where applicable.

**31.5 Industry Risk**

The Nigerian cable and wire subsector belongs to the electrical and electronics sectoral group. Alongside two other sectoral groups, this sector is regarded as the most economically significant constituent group of the engineering sector. The performance of the Nigerian cable and wire industrial subgroup is, no doubt, noticed by all who should be in the know. The subsector is one of the very few in the country that have successfully dealt with foreign competition, especially in terms of superior product quality. In spite of the difficult economic conditions in Nigeria, the firms in the cable and wire industry are reputed to produce world-class products. The quality of products from this subsectoral group of the manufacturing industry is considered superior even by multinationals. Moreover, despite the prevalent capacity underutilisation in the industrial sector of the country as a whole, the cable and wire manufacturing firms have done relatively well

**31.6 Interest rate Risk Management**

The Company's exposure to Interest Rate Risk is insignificant

**31.7 Foreign Exchange Risk Management**

Foreign Exchange Risk is insignificant for the entity as the company trades majorly in Naira.

**31.8 Credit Risk Management**

Credit Risk is the Risk that a counterparty will default on its contractual obligations leading to a Financial loss. The Company is exposed to Credit Risk from its operating activities (primarily trade and other Receivables) and investing activities (deposits with banks). The company does not have significant portion of Receivables and bank balance concentrated in the hands of a single entity or a group of entities with common control. There are no collaterals held for these balances.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31ST JULY, 2021**

- **Trade and other Receivables**

The Company's Receivables consist of a number of customers across the country. Credit evaluation is usually performed on the Financial condition of accounts receivable. The company has a policy of only dealing with creditworthy counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board and Management periodically.

- **Bank Balances**

Credit Risk from balances with banks and Financial institutions is managed in a manner that would reduce the Risk of loss to the company. Surplus funds are spread amongst reputable commercial banks and are limited. The limits are set to minimise the concentration of Risks and therefore mitigate Financial loss through potential counterparty's liquidation.

The carrying amount of Financial Assets represents the company's maximum exposure, which at the reporting date, was as follows:

	<b>Group</b>		<b>Company</b>			
	<b>7/31/2021</b>	<b>7/30/2020</b>	<b>Audited '30/4/2021 N'000</b>	<b>7/31/2021</b>	<b>7/31/2020</b>	<b>Audited' 30/4/2021 N'000</b>
Bank Balances	115,603	419,163	110,576	110,623	419,163	108,618
Trade and other Receivables	984,987	670,010	1,227,505	979,691	670,010	1,222,441
	<b>1,100,590</b>	<b>1,089,173</b>	<b>1,338,080</b>	<b>1,090,314</b>	<b>1,089,173</b>	<b>1,331,059</b>

### 31.8.1 Liquidity Risk Management

Liquidity Risk is the Risk that the company is unable to meet its current and future Cash Flow obligations as and when they fall due, or can only do so at excessive cost. This includes the Risk that the company is unable to meet settlement obligations.

Ultimate responsibility for Liquidity Risk Management rests with the Board of Directors, which has established an appropriate policy for the Management of the company's liquidity requirements. The Company manages Liquidity Risk by maintaining adequate reserves and by continuously monitoring forecast and actual Cash flows, and by matching the maturity profiles of Financial Assets and Liabilities.

### 31.9 Fair Value of Financial instruments

The Directors consider that the carrying amounts of Financial Assets and Financial Liabilities recorded in the Financial Statements approximate their fair values.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31ST JULY, 2021**

**32 Guarantees**

The Company did not provide guarantees during the year ended 31st July, 2021 (31/7/2020: Nil).

**33 Financial Commitments**

The Directors are of the opinion that all known Liabilities and Commitments, which are relevant in assessing the Company's state of affairs have been taken into consideration in the preparation of these

**34 Contingent Liabilities and Contingent Assets**

There were no Contingent Assets and Liabilities as at 31st July 2021 (31/07/20: Nil).

**35 Events after the Reporting Period**

There were no events after the reporting period that could have had material effects on the Financial Statements of the Company that have not been adequately provided for or disclosed in these Financial Statements.

**36 Business Combination**

The acquisition involved Cutix Plc acquiring the entire issued share Capital of Adswitch Plc in exchange for a Cash via a Takeover Bid. The Cash consideration has been fully paid to all concerned stakeholders. Based on the agreement reached by the Boards of the two Companies, Adswitch shareholders received N0.70 (seventy kobo) per share, representing a total Cash amount of N87,503,675 (eighty-seven million, five hundred and three thousand, six hundred and seventy-five Naira). The transaction has been completed as all formal regulatory and shareholder approvals have been obtained.

## **Other National Disclosures**

## CUTIX PLC

### STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31ST JULY, 2021

#### Group

	May'21 - July'21		May'20 - July'20	
	N'000	%	N'000	%
Revenue	1,856,627		1,482,011	
Other Income	16,158		13,388	
	<u>1,872,785</u>		<u>1,495,399</u>	
Bought in materials and services	(586,672)		(805,058)	
Foreign	(880,008)		(321,453)	
Local				
	<b>406,105</b>	<b>100</b>	<b>368,888</b>	<b>100</b>
<b>Value Added</b>				
<b>Applied as follows:</b>				
<b>To employees</b>				
As salaries and wages	100,174	25%	82,068	0.22
<b>To Providers of Capital</b>				
Interest charges	48,482	12%	46,363	0.13
<b>To government:</b>				
As Company Income Taxes	65,620	16%	70,240	0.19
<b>Retained for the Company's future:</b>				
Depreciation	54,808	13%	39,773	0.11
Retained Earnings	137,021	34%	130,445	0.35
	<b>406,105</b>	<b>100%</b>	<b>368,889</b>	<b>100.00</b>
<b>Value Added</b>				

#### Company

	May'21 - July'21		May'20 - July'20	
	N'000	%	N'000	%
Revenue	1,856,523		1,482,011	
Other Income	16,158		13,388	
	<u>1,872,681</u>		<u>1,495,399</u>	
Bought in materials and services	(645,225)		(805,058)	
Foreign	(967,838)		(321,453)	
Local				
	<b>259,618</b>	<b>100</b>	<b>368,888</b>	<b>100</b>
<b>Value Added</b>				
<b>Applied as follows:</b>				
<b>To employees</b>				
As salaries and wages	99,279	24%	82,068	22%
<b>To Providers of Capital</b>				
Interest charges	48,482	12%	46,363	13%
<b>To government:</b>				
As Company Income Taxes	65,620	16%	70,240	19%
As NPTF Levy				
<b>Retained for the Company's future:</b>				
Deferred Taxation	54,015	13%	39,773	11%
Depreciation	139,442	34%	130,445	35%
(Loss)/ Profit for the year				
<b>Value Added</b>	<b>406,837</b>	<b>100%</b>	<b>368,889</b>	<b>100%</b>

### CUTIX PLC Free Float Computation

Shareholding Structure/Free Float Status		31-Jul-21		31-Jul-20	
Description		Unit	Percentage	Unit	Percentage
Issued Share Capital		1,761,322,026	100%	1,761,322,026	100%
<b>Substantial Shareholdings (5% and above)</b>					
Uzodike Gilbert Obiajulu		90,187,982	5.1%	90,187,982	5.12%
R.C Onyeje & Company (Nig) Ltd		106,666,666	6.1%	106,666,666	6.06%
Nsoedo Samuel		108,166,666	6.1%	108,666,666	6.17%
Nzewi Christopher Emengini		91,796,240	5.2%	91,796,240	5.21%
R.C Onyeje & Company (Nig) Ltd		110,832,000	6.3%	110,832,000	6.29%
Uzodike Gilbert Obiajulu		185,461,657	10.5%	180,344,452	10.24%
<b>Total Substantial Shareholdings</b>		<b>693,111,211</b>	<b>39%</b>	<b>688,494,006</b>	<b>39%</b>
<b>Directors' Shareholdings (direct and indirect), excluding direct</b>					
Amb. Okwudili Nwosu (Direct)		4,795,000	0.27%	2,400,000	0.14%
Mrs Oduonye Ijeoma Agnes (Direct)		6,784,236	0.39%	6,784,236	0.39%
Barr (Mrs.) Ifeoma Nwahiriri Ngozi (Direct)		1,348,720	0.08%	1,201,320	0.07%
Sir Matthias Umego					
Aghara (Direct)		0	0.00%	0	0.00%
Dr Chidozie Nsoedo (Indirect-Representing Nsoedo Samuel & R.C. Onyeje & Company (Nig) Ltd)		0		0	
Mrs Ijeoma Ezeasor		1,185,933	0.07%	0	
Mr. Okonkwo Godwin Ike		666,666	0.04%	666,666	0.04%
Mr. Okonkwo Godwin Ike (indirect - representing Kenval properties Ltd)		1,073,145	0.061%	80,000	0.00%
Mr. Olushekun Muritala Ariyo		89,927,476	5.11%	81,546,620	4.63%
<b>Total Directors' Shareholdings</b>					
<b>Other Influential Shareholdings</b>		0	0.00%	0	0.00%
NIL		0	0.00%	0	0.00%
<b>Total Other Influential Shareholdings</b>		<b>978,283,339</b>	<b>55.54%</b>	<b>991,281,400</b>	<b>56.28%</b>
<b>Free Float in Units and Percentage</b>		<b>4,705,542,860.59</b>		<b>2,478,203,500.00</b>	
<b>Free Float in Value</b>					
<b>Declaration:</b>					
(A) CUTIX PLC with a free float percentage of 55.54% as at 31st July 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 N4,705,542,860.59 as at 31st July 2021.					