

# **CUTIX PLC**

## **AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2023**

# CUTIX PLC

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## **CORPORATE INFORMATION**

### **CHAIRMAN**

Amb. Okwudili Nwosu – Non-Executive Director

### **CHIEF EXECUTIVE OFFICER**

Mrs. Ijeoma Oduonye – Chief Executive Officer

### **OTHER DIRECTORS**

Barr. (Mrs.) Ifeoma Nwahiri – Non-Executive Director

Dr. Chidozie Nsoedo – Non-Executive Director

Mr. Ariyo Olushekun – Non-Executive Director

Mr. Ike Okonkwo – Non-Executive Director

Sir Matthias Umego – Ind. Non-Executive Director

Mrs. Ijeoma Ezeasor – Ind. Non-Executive Director

Prince Obianefo Orizu – Ind. Non-Executive Director

### **COMPANY SECRETARY**

Mrs. Chinwendu Nwokporo

### **REGISTERED OFFICE/FACTORY**

17, Osita Onyejiana Street

Umuanuka Otolo Nnewi

Anambra State

Tel 046-280-087, 046-280-960, 0815-178-1555

[secretariat@cutixplc.com.ng](mailto:secretariat@cutixplc.com.ng)

[www.cutixplc.com.ng](http://www.cutixplc.com.ng)

### **POSTAL ADDRESS**

P.M.B. 5040

Nnewi, Anambra State

### **REGISTRAR**

Crescent Registrars Ltd

23, Olusoji Idowu Street

Ilupeju

(Behind Mutual Benefit Insurance Head Office),

Lagos State

Email: [info@crescentregistrars.com](mailto:info@crescentregistrars.com)

Website: [www.crescentregistrars.com](http://www.crescentregistrars.com)

### **LEGAL ADVISERS**

Olisaeloka Osuigwe & Co

Mercy Court

10, Dala Ucha Street

Okpuno-Egbu Umudim

Nnewi, Anambra State

Ike Obeta & Co.

(Legal Practitioners)

112, Owerri Road

Nnewi

### **AUDITORS**

Ngozi Monica Okonkwo & Co

(Chartered Accountants)

Duplex 11, Ugochukwu Housing Estate

Sabmiller Crescent, Off Atani Road

Onitsha

Anambra State

## **SALES OFFICES**

### **1. Aba**

27, St. Michael Road  
Aba, Abia State.  
Tel: 0903-377-5097, 082-290-663  
E-mail: aba@cutixplc.com.ng

### **2 Abuja**

Shop R239 Gudu Electrical Market  
Gudu District, Abuja.  
Tel: 0803-675-5246, 092910758, 0703-679-9332  
E-mail: abuja1@cutixplc.com.ng

Shop B4 109/110 Int'l Building Material  
Market Dei-Dei, Abuja.  
Tel: 0902-339-4294, 0813-303-1662, 0803-431-1620  
E-mail: abuja2@cutixplc.com.ng

### **3 Enugu**

Suite B16, Elim Plaza  
Near Oakland Hotel by Ebeano Tunnel,  
Enugu State  
Tel: 0816-059-7414, 0906-994-3744  
E-mail: enugu@cutixplc.com.ng

### **4 Lagos**

17, Olutosin Ajayi Street Ajao Estate, Isolo,  
Lagos State.  
Tel: 0813-455-1103, 0803-527-5615  
E-mail: lagos@cutixplc.com.ng

Suite 18, Elegushi Modern Plaza  
Jakande Roundabout,  
Opposite Mobil Filling Station  
Lekki – Epe Express Way, Lagos  
Tel: 0806-231-2663  
E-mail: lagos2@cutixplc.com.ng

Shop A 51 Century Mall by St. Patrick Bus stop  
Near United Bank for African (UBA)  
Alaba International Market  
Tel: 0814-071-3787, 0903-282-1581  
E-mail: lagos3@cutixplc.com.ng

### **5 Obosi**

Shop 7 & 8, God is Good Plaza  
Electrical Dealers International Market  
Obosi, Anambra State  
Tel: 0906-775-7132, 0813-249-2717  
E-mail: obosi@cutixplc.com.ng

**6 Port Harcourt**  
18 Dr. Aranye Okilo Drive  
D/Line, (Near NITEL Office) Port Harcourt  
Rivers State  
Tel: 0810-089-0255, 0818-009-7256,  
0816-065-9919  
E-mail: portharcourt@cutixplc.com.ng

**7 Uyo**  
41, Ikot-Ekpene Road  
Uyo, Akwa Ibom State.  
Tel: 0704-379-8268, 0803-623-9000  
E-mail: uyo@cutixplc.com.ng

## **MANAGEMENT**

Mrs. Ijeoma Oduonye	Chief Executive Officer
Mrs. Chinwendu Nwokporo	Company Secretary/Head, Sales Trade
Mrs. Uche Igbokwe	Assistant General Manager
Mrs. Jane Nwabueze	Chief Financial Officer
Mrs. Ijeoma Obiora	Head, Quality Assurance
Mrs. Ada Ikebuilo	Head, Power Cable Plant
Mrs. Chidinma Maduekwe	Head, Anuka Plant
Mr. Christian Igwe	Head, Human Resources
Mr. Chinonso Okoli	Head, Adswitch Plant
Mr. Christian Okafor	Head, Marketing
Mr. Macpherson Nwogu	Head, Enterprise Assurance
Mr. Okwuchukwu Okonkwo	Head, Sales Industrial
Miss. Loveth Ibeson	Head, Administration

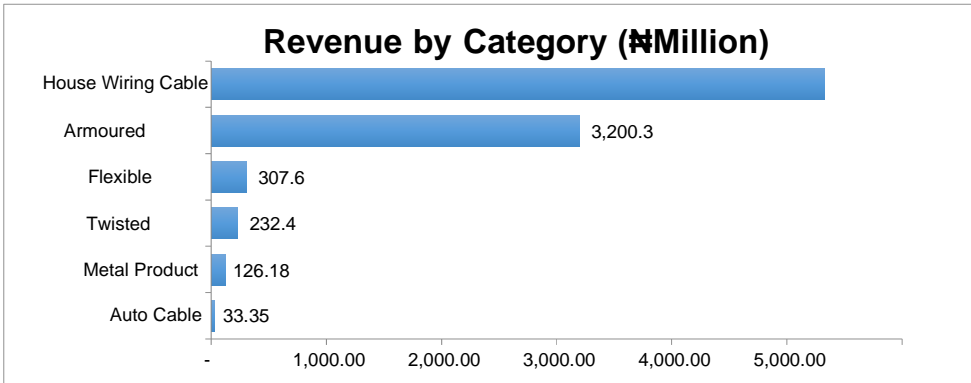
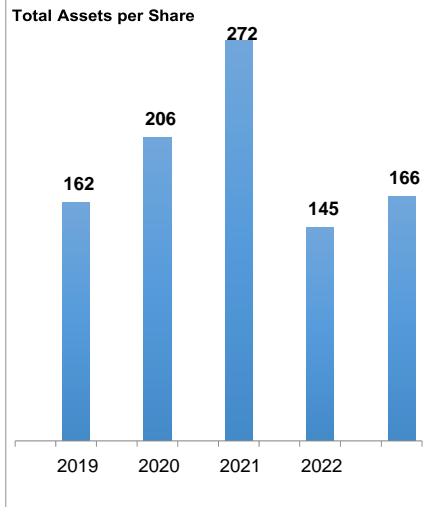
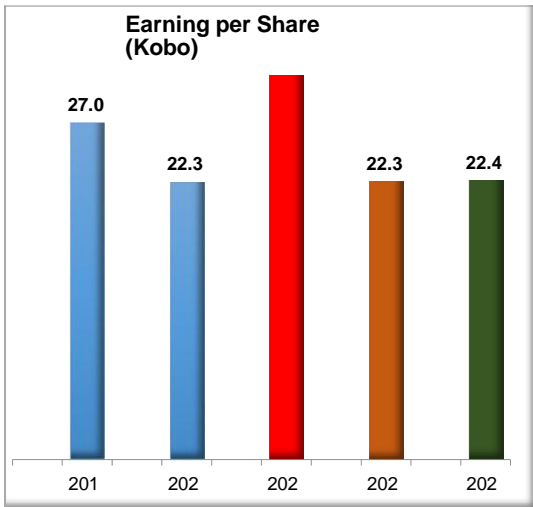
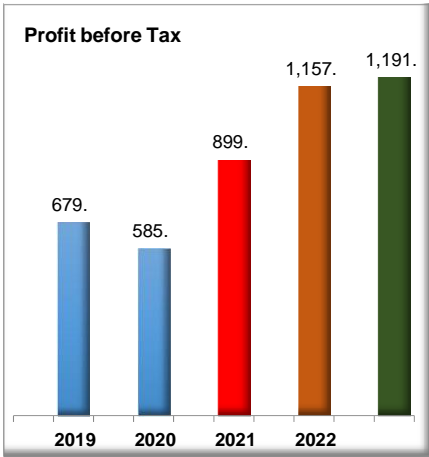
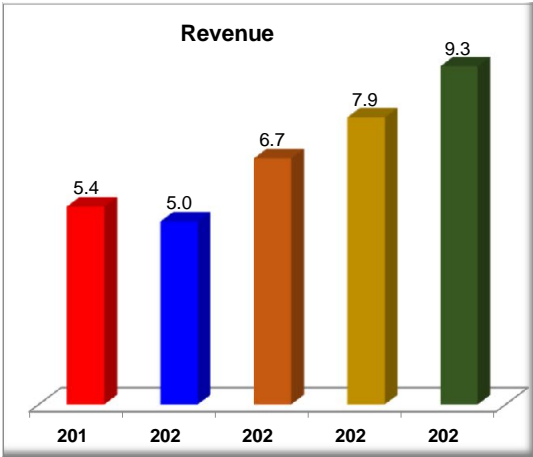
## **BANKERS**

Access Bank Plc  
Ecobank Limited  
Fidelity Bank Plc  
First Bank Plc  
Guaranty Trust Bank Plc  
Polaris Bank Plc  
Sterling Bank Plc  
Union Bank of Nigeria Plc  
United Bank for Africa Plc  
Zenith Bank Plc

**TAX IDENTIFICATION NUMBER (TIN):** 00362300-0001

## CUTIX PLC FINANCIAL HIGHLIGHTS

	2023	2022	Increase/ (Decrease)	
	₦'000	₦'000	₦'000	%
Total Assets	<b>5,842,005</b>	5,116,100	<b>725,905</b>	<b>14</b>
Total Liabilities	<b>2,674,056</b>	2,411,644	<b>262,412</b>	<b>11</b>
Capital Expenditure	<b>271,689</b>	250,881	<b>20,808</b>	<b>8</b>
Paid-up Share Capital	<b>1,761,322</b>	1,761,322	-	-
Total Equity	<b>3,167,950</b>	2,704,456	<b>463,494</b>	<b>17</b>
No. of Shares in Issue (Units)	<b>3,522,644</b>	3,522,644	-	-
Revenue	<b>9,248,003</b>	7,867,764	<b>1,380,239</b>	<b>18</b>
Profit Before Taxation	<b>1,191,520</b>	1,157,641	<b>33,879</b>	<b>3</b>
Taxation - Income Tax	<b>379,883</b>	357,916	<b>21,967</b>	<b>6</b>
Taxation - Deferred Tax	<b>21,652</b>	13,419	<b>8,233</b>	<b>61</b>
Profit After Taxation	<b>789,985</b>	786,307	<b>3,677</b>	<b>0</b>
<b>Per Share Data:</b>				
Earnings Per Share - Basic (Kobo)	<b>22.43</b>	22.32	<b>0.10</b>	<b>0</b>
Earnings Per Share- Adjusted (Kobo)	<b>22.43</b>	22.32	<b>0.10</b>	<b>0</b>
Total Assets Per Share (Kobo)	<b>166</b>	145	<b>21</b>	<b>14</b>
Share price (Kobo)	<b>225</b>	244	<b>(19)</b>	<b>(8)</b>



## REPORT OF THE DIRECTORS

*In accordance with section 385 of the Companies and Allied Matters Act, 2020, the Directors have the pleasure of presenting herewith their Annual Report containing the Statement of Financial Position as at April 30, 2023 together with the Statement of Profit or Loss and Other Comprehensive Income for the year ended on that date.*

### 1. LEGAL STATUS

Cutix Plc was incorporated on November 4, 1982, as a private limited liability Company. It was quoted on the Second Tier of the Nigerian Stock Exchange on August 12, 1987, and later migrated to the First Tier of the Exchange on February 18, 2008. The price per 50k share of the Company as at April 28, 2023 was ₦2.25.

### 2. PRINCIPAL ACTIVITIES OF THE COMPANY

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

### 3. RESULT FOR THE YEAR

The following are highlights of the Company's performance in FY 2023.

	<b>GROUP FY 2023 ₦'000</b>	<b>COMPANY FY 2023 ₦'000</b>	<b>GROUP FY 2022 ₦'000</b>	<b>COMPANY FY 2022 ₦'000</b>
Revenue	9,248,003	9,225,071	7,867,764	7,852,391
Profit Before Tax	1,191,520	1,193,668	1,157,642	1,161,802
Taxation	401,535	401,535	371,335	371,335
Profit After Tax	789,985	792,132	786,307	790,467

### 4. DIVIDEND

The Directors are pleased to recommend a dividend of 12kobo per share to be considered for approval by the shareholders at the Annual General Meeting. The total dividend payable, if approved by the shareholders, is ₦422.717 million and is subject to deduction of withholding tax at the rate applicable at the time of payment. Below is the summary of the Profit After Tax, proposed dividend and reserve of the Company:

	<b>₦'000</b>
Profit After Taxation	789,985
Less Proposed Dividend	422,717
Profit Carried Forward	367,268

### 5. PROPERTY, PLANT AND EQUIPMENT (PPE)

Movements in Property, Plant and Equipment (PPE) during the year are shown in Note 14 of the Audited Financial Statements. In the opinion of the Directors, the market value of the PPE is not less than the value shown in the accounts.



## 6. DONATIONS AND CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

During the year, donations and CSR initiatives amounting to ₦112,910,143.68 are as stated below:

S/No	Beneficiary	Amount (₦)
1.	Nnewi Community (Education, medical assistance, security)	13,789,909.68
2.	Sponsorship of 2022/2023 ENIC tennis league	4,984,200.00
3.	Construction of Osita Onyejianya Street (Cutix Access road)	93,000,034.00
4.	Installation of streetlight on Osita Onyejianya Street	736,000.00
5.	Rehabilitation Centre for the Disabled, Old and Tramps (RECDOT)	200,000.00
6.	Veterans	200,000.00
	<b>Total</b>	<b>112,910,143.68</b>

## 7. ANALYSIS OF SHAREHOLDING

### a) Shareholders and Shareholding:

The Registrar has advised that the shareholdings as at April 30, 2023 are as follows:

SHARE RANGE	NO. OF S/HOLDERS	CUMMULATIVE HOLDERS	% HOLDERS	NO OF UNITS	CUMMULATIVE UNITS	% UNITS
1-1,000	826	826	9.458	291,309	291,309	0.008
1,001-5,000	995	1,821	11.394	2,832,064	3,123,373	0.080
5,001-10,000	787	2,608	9.012	5,974,943	9,098,316	0.170
10,001-50,000	2,210	4,818	25.306	56,957,968	66,056,284	1.617
50,001-100,000	1,003	5,821	11.485	72,672,609	138,728,893	2.063
100,001-500,000	2,365	8,186	27.081	448,723,190	587,452,083	12.738
500,001-1,000,000	291	8,477	3.332	186,732,948	774,185,031	5.301
1,000,001-5,000,000	200	8,677	2.290	374,936,574	1,149,121,605	10.644
5,000,001-10,000,000	22	8,699	0.252	146,184,587	1,295,306,192	4.150
10,000,001-ABOVE	34	8,733	0.389	2,227,337,860	3,522,644,052	63.229
<b>TOTAL</b>	<b>8,733</b>		<b>100</b>	<b>3,522,644,052</b>		<b>100</b>

b) **Directors' Shareholding**

		As at Year-End		Prior Year		Date of Approval of FY 2023 Account	
		April 30, 2023	April 30, 2023	April 30, 2022	April 30, 2022	July 13, 2023	July 13, 2023
SN	Name of Director	Direct	Indirect	Direct	Indirect	Direct	Indirect
1.	Amb. Okwudili Nwosu	150,111,216	Nil	150,111,216	Nil	150,111,216	Nil
2.	Mrs. Ijeoma Oduonye	6,715,000	Nil	6,000,000	Nil	6,715,000	Nil
3.	Barr (Mrs.) Ifeoma Nwahiri	13,568,472	Nil	6,784,236	Nil	13,568,472	Nil
4.	Sir Matthias Umego	350,000	Nil	2,697,440	Nil	350,000	Nil
5.	Dr. Chidozie Nsoedo	Nil	Nil	Nil	Nil	Nil	Nil
6.	Mr. Ariyo Olushekun	2,146,290	Nil	80,000	Nil	2,146,290	Nil
7.	Mrs. Ijeoma Ezeasor	Nil	Nil	Nil	Nil	Nil	Nil
8.	Mr. Ikechukwu Okonkwo	2,078,793	1,333,332	1,371,866	1,333,332	2,078,793	1,333,332
9.	Prince Charles Orizu	512,140	Nil	512,140	Nil	512,140	Nil

***Barr. (Mrs.) Ifeoma Nwahiri represents Uzodike Gilbert Obiajulu; Dr. Chidozie Nsoedo represents Nsoedo Samuel and R. C. Onyeje & Company (Nig) Ltd while Mr. Ikechukwu Okonkwo represents Nzewi Christopher Emengini and others' Shareholdings on the Board.***

### c) Substantial Interest in Shares

According to the Register of Members as at 30 April 2023, no other individual holds 5% and above of the issued and fully paid-up shares of the Company apart from the following individuals:

<i>S/No</i>	<i>Name</i>	<i>Holdings</i>	<i>% HOLDINGS</i>
1.	Uzodike Gilbert Obiajulu	401,746,954	11.40
2.	R C Onyeje and Company (Nig) Ltd	221,644,000	6.29
3.	Nsoedo Samuel	217,566,897	6.18
4.	Nigerian Reinsurance Corporation	213,333,332	6.06
5.	Nzewi Christopher Emengini	183,592,480	5.21
6.	AMI Nigeria Limited	180,375,964	5.12
			40.26

### d) Acquisition of Own Shares

The Company did not purchase any of its shares during the year under review.

### e) Free Float Analysis

The free float analysis of the issued and paid-up share capital of the Company as at April 30, 2023 is as stated below:

<b>S/No</b>	<b>Category</b>	<b>Holding as at April 30, 2023</b>	<b>% Holding as at April 30, 2023</b>	<b>Holding as at April 30, 2022</b>	<b>% Holding as at April 30, 2022</b>
1.	Directors	176,815,243	5.02	177,740,756	5.05
2.	Shareholders with 5% and above	1,418,279,627	40.26	1,416,046,062	40.20
3.	Free Float	1,927,549,182	54.72	1,928,857,234	54.76
	<b>Total</b>	<b>3,522,644,052</b>	<b>100</b>	<b>3,522,644,052</b>	<b>100</b>

## 8. DIRECTORS' INTEREST IN CONTRACTS

Within the period under review, no Director declared interest in contracts in which the Company was involved in compliance with Section 303 (1 & 2) of CAMA 2020.

## 9. EMPLOYMENT & EMPLOYEES

### a Management & Staff

The Company's staff strength increased from 245 to 258, including the CEO within the financial year. The Company employed 34 staff while 31 permanent staff disengaged from the Company within the Financial Year.

### b Employment of Physically Challenged Persons

We provide employment opportunities to physically challenged persons and do not discriminate on any group. The Company is driven by a deep conviction that even in disability, there is immense ability. In line with our policy, we solely recruit based on capability to occupy the specific roles. The Company currently has one physically challenged staff in her employment.

c **Total Number of Management and Staff as at April 30, 2023.**

<b>CADRE</b>	<b>NUMBER</b>
Management	17
Staff	241

d **Employee Involvement**

Cutix Plc is committed to fully informing her employees about the Company's performance and involves them in decision making processes. This we have found to be an efficient method of aligning staff to the corporate charter. Aside town hall and departmental meetings, the Joint Consultative Committee made up of elected staff from different departments, has been a useful tool for enhancing effective communication between employees and the company.

e **Health and Safety Policy**

In Cutix Plc, health and safety policy is in place to guide employees, visitors, contractors and anyone involved in the Company's value chain. We are committed to preventing accidents and incidents that may create unsafe conditions that would lead to accidents, injuries and illness related to work.

10. **EVENTS AFTER REPORTING DATE**

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.

11. **FORMAT OF FINANCIAL STATEMENTS**

The financial statements of the Company have been prepared in accordance with the reporting and presentation requirements of the Companies and Allied Matters Act, (CAMA) 2020 and are in compliance with the International Financial Reporting Standards issued by International Accounting Standards Board and the requirements of the Financial Reporting Council of Nigeria Act No 6. 2011. The Directors consider that the format adopted is the most suitable for the Company.

12. **INDEPENDENT AUDITORS**

The firm of Ngozi Monica Okonkwo & Co. was appointed the Independent Auditor in line with the provisions of CAMA 2020.

13. **MATERIAL CHANGES AFFECTING THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report. There has been no such change in the business of the Company.

14. **REMUNERATION OF MANAGERS OF THE COMPANY**

Section 257 of CAMA 2020 states that compensation of Managers shall be disclosed to members of the Company at the AGM while Section 238 of CAMA provides that disclosure of the remuneration of the managers of a company should be an item under the ordinary business at an Annual General Meeting. Based on the definition of "manager" in the Companies Regulations 2021, details of remuneration paid to the Chief Executive Officer and Non-Executive Directors for the year under review are contained in Note 27.1 (vi) of the Audited Financial Statements.

## **CORPORATE GOVERNANCE REPORT**

### **1. Corporate Governance**

Cutix Plc is committed to the highest standard of Corporate Governance in all her activities in line with guidelines and regulations required by the Nigerian Code of Corporate Governance. We conduct our operations with honesty, integrity, openness, respect for human rights and interests of our employees. Similarly, we respect the legitimate interests of those with whom we relate. The Company is committed to providing products and services which consistently offer value in terms of price, quality and are safe for their intended use.

Our business operations are conducted in accordance with nationally and internationally accepted principles of good corporate governance to provide timely, regular and reliable information on our activities, structure, financial situation and performance to all stakeholders and legal authorities. In doing our business, we strive to remain a trusted corporate citizen and, as an integral part of society, fulfill our responsibilities to the society and communities in which we operate. Cutix Plc believes that full disclosure and transparency in her operations are in the interest of good governance. As indicated in the statement of responsibilities of Directors and notes to the accounts, the Company adopts standard accounting practices which are IFRS compliant. Cutix Plc ensures sound internal control to facilitate the reliability of the financial statements.

### **2. The Board**

The Board is committed to the highest standards of business integrity, ethical values and governance of the Company. The Board is accountable to shareholders for creating and delivering sustainable value through the management of the Company's business. The functions of the Board are guided by the provisions of the Companies and Allied Matters Act, the Nigerian Code of Corporate Governance, the Company's Articles of Association, Charter, Vision, Mission, other relevant laws and regulations. The Board determines the overall strategy of the Company and follows up on its implementation. The Board also supervises the performance and ensures adequate management of the Company.

### **3. Separation of Positions of the Chairman and the Chief Executive Officer**

The roles of the Chairman and Chief Executive Officer are separate and no one individual combines the two positions. The Chairman's main responsibility is to lead and manage the Board to ensure that it operates effectively in fully discharging its legal and regulatory responsibilities. The Chairman is responsible for ensuring that Directors receive accurate, timely and clear information to enable the Board take informed decisions. The Board provides advice to promote the success of the Company. The Chairman facilitates the contribution of Directors while promoting effective relationships and encourages open communication between the Executive and Non-Executive Directors.

The Chief Executive Officer (CEO) is the head of Management. The Board has delegated the responsibility for the day-to-day management of the Company to the CEO, who is supported by the Management. The CEO executes the powers delegated to her in accordance with guidelines approved by the Board of Directors. The Chief Executive Officer is accountable to the Board for the development and implementation of strategies and policies of the Company. The Board regularly reviews performance, matters of strategic concern and any other matter it regards as material.

#### **4. Directors' Responsibilities**

In accordance with the provisions of Sections 377 of the Companies and Allied Matters Act, 2020, the Directors are responsible for the preparation of the Financial Statements, ensuring that the Statement of Financial Position gives a true and fair view of the state of affairs of the Company at the end of each financial year and of the Statement of Profit or Loss and Other Comprehensive Income for that period. The Directors' responsibilities include:

- a. Defining the Company's strategic goals and ensuring that its human and financial resources are effectively deployed towards attaining those goals;
- b. Ensuring that the Company carries on its business in accordance with its Memorandum and Articles of Association and in conformity with the laws of the country, observing the highest ethical standards and on an environmentally sustainable basis;
- c. Ensuring that the Company uses suitable accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates and that all applicable accounting standards are followed;
- d. Approval and enforcement of Code of Business Ethics for the Company, the Employees and Directors.
- e. Accepting responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020.
- f. Ensuring succession planning and the appointment, training, remuneration and replacement of Board members and Senior Management staff;
- g. Defining a framework for the delegation of its authority or duties to Management specifying matters that may be delegated and those reserved for the Board;
- h. Overseeing the effective performance of Management to protect and enhance shareholder's value and to meet the Company's obligations to its employees and other stakeholders;
- i. Identifying risk and monitoring risk management systems;
- j. Establishing appropriate internal controls to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

#### **5. Composition of the Board of Directors who held office during the period ended April 30, 2023:**

The Company's Articles of Association provides that the Board shall consist of a maximum of nine (9) Directors. The Board consisted of the Chairman, the Chief Executive Officer, four Non-Executive Directors, and three independent Non-Executive Directors. The Non-Executive Directors are independent of Management and are free from any constraints, which may materially affect the exercise of their judgement as Directors of the Company. The Directors possess the requisite integrity, skills, and experience to bring independent judgement to bear on the deliberations of the Board. Below are details of the Directors who held office during the period ended April 30, 2023:

S/No	Name of Director	Position
1.	Amb Okwudili Nwosu	Chairman (Non-Executive)
2.	Mrs. Ijeoma Oduonye	Chief Executive Officer
3.	Barr (Mrs.) Ifeoma Nwahiri	Non-Executive Director
4.	Dr Chidozie Nsoedo	Non-Executive Director
5.	Mr. Ikechukwu Okonkwo	Non-Executive Director
6.	Mr. Ariyo Olushekun	Non-Executive Director
7.	Sir Matthias Umego	Independent Non-Executive Director
8.	Mrs. Ijeoma Ezeasor	Independent Non-Executive Director
9.	Prince Charles Orizu	Independent Non-Executive Director

## 6. Process for Board Appointment, Training, and Induction

The Governance, Nomination and Compensation (GNC) Committee is charged with the responsibility of leading the process for Board appointments. With respect to new appointments, the Committee identifies, reviews, and recommends candidates for potential appointment as Directors. In identifying suitable candidates, the Committee considers candidates on merit with due regard for the benefits of diversity on the Board, including geographical, gender diversity as well as the mix of appropriate skills and experience to strengthen the capacity of the Board. The appointment of Directors is subject to the approval of the shareholders in line statutory requirement.

Every newly appointed Director receives a comprehensive letter of appointment detailing the terms of reference and composition of the Board, the Board Committees, the entitlements, and the demand for time commitment as a result of the appointment. Other documents given to them include the Company's Memorandum and Articles of Association, Board Charter, Code of Corporate Governance for Public Companies in Nigeria, Code of Business Ethics. Other relevant documents, policies, processes and procedures of the Company that will help the Director gain an understanding of the Company are given to the Directors. Newly appointed Directors are also conducted around the production facilities of the Company to gain first-hand knowledge of the production processes. Cutix Plc is committed to training of her Directors and for this purpose, offers continuous training to the Directors to enhance their performance on the Board

## 7. Changes on the Board

There was no change on the Board of the Company in the course of the financial year ended April 30, 2023.

## 8. Retirement/Appointment of Directors

In compliance with the provisions of the Articles of Association of the Company and Section 285 (1) of CAMA 2020, all Directors will retire by rotation and being eligible, offers themselves for re-election. Their profiles will be published in the 2023 Annual Report and on the Company's website. Amb Okwudili Nwosu will retire from the Board of the Company at this year's Annual General Meeting. The Board has screened nominations and hereby recommends Mr. Ifeanyi Uzodike to the shareholders for election as a Non-Executive Director at the Annual Meeting. His profile will be published in the Annual Report and Accounts.

## 9. Evaluation of the Board

In the Company's customary manner of imbibing the best corporate governance practices, evaluation of the Board was undertaken in the financial year 2023. The annual appraisal covered all aspects of the Board's responsibilities, processes, relationships, individual member's competencies, respective roles in the performance of the Board, etc.

In compliance with section 15 of the Nigerian Code of Corporate Governance, an Independent Consultant, Corporate Mission Consultant carried out Board and Directors' appraisal in financial year 2021. The next evaluation will be after three years.

## 10. Directors' Remuneration

Remuneration of Directors is guided by the provisions of Section 16.13 of the Nigerian Code of Corporate Governance which stipulates that Non-Executive Directors may be paid sitting allowances, Directors fees and reimbursable travel and hotel expenses. In compliance with the requirement of the Code, the Company discloses the remuneration paid to the Directors as follows:

S/No	Type of Remuneration	Description	Timing
1.	Basic Salary	Part of gross salary package for the Chief Executive Officer.	Paid monthly
2.	Other Allowances	These are part of the gross salary package for the Chief Executive Officer.	Paid periodically
3.	Directors Fees	This is paid to Non -Executive Directors only.	Annually
4.	Sitting Allowance	Allowance paid to Non -Executive Directors for attending Board and Board Committee meetings.	Paid after each meeting
5.	Sitting Expenses	Reimbursable travel and hotel expenses paid to Non-Executive Directors for attending Board and Committee meetings.	Paid after each meeting

The Directors are also sponsored for training programmes required to enhance their duties to the Company. Details of remuneration paid to the Chief Executive Officer and Non-Executive Directors for the year under review are contained in Notes 27.1 (iv) of the Audited Financial Statements.

## 11. Directors' Interest in Contracts

Within the period under review, no Director declared interest in contracts in which the Company was involved as at April 30, 2023 with reference to Section 303 (1, 2 & 3) of CAMA 2020.

## 12. Record of Directors' Attendance to Board Meetings

The Board has a formal schedule of meetings each year and met five (5) times during the year under review. The record of attendance at those meetings by the Directors who served during the year under review is set out below:



S/No	Director	24/05/22	23/06/22	25/08/22	24/11/22	01/03/23
1.	Amb. Okwudili Nwosu	P	P	P	P	P
2.	Barr (Mrs.) Ifeoma Nwahiri	P	P	P	P	A
3.	Sir Matthias Umego	P	P	P	P	P
4.	Dr. Chidozie Nsoedo	P	P	P	P	A
5.	Mrs. Ijeoma Ezeasor	P	P	P	P	P
6.	Mr. Ikechukwu Okonkwo	P	P	P	P	P
7.	Mr. Ariyo Olushekun	P	P	P	P	A
8.	Mrs. Ijeoma Oduonye	P	P	P	P	P
9.	Prince Charles Orizu	P	P	P	P	A

**Key: ‘P’ stands for present while ‘A’ stands for absent**

### 13. Board Committees

In conformity with the Code of Best Practices in Corporate Governance, the Directors worked through the following Board Committees:

- i. Audit, Risk & Compliance (ARC) Committee
- ii. Governance, Nomination & Compensation (GNC) Committee

### 14. Audit, Risk & Compliance (ARC) Committee

The Audit, Risk & Compliance Committee assists the Board in identifying risks, creates systems to protect the Company from identified risks and monitors the implementation of the Company's risk management systems. The Committee also assists the Board in fulfilling its oversight function on the reliability and integrity of financial management, accounting policies, asset management, financial reporting and disclosure practice. Details of attendance by each of the Committee members are shown below:

S/No	Director	Position	22/06/22	23/09/22	2/12/22	24/03/ 23
1.	Barr (Mrs.) Ifeoma Nwahiri	Chairman	P	P	P	P
2.	Mr. Ikechukwu Okonkwo	Member	P	P	P	P
3.	Mr. Ariyo Olushekun	Member	P	P	P	P

### 15. Governance, Nomination & Compensation (GNC) Committee

The Governance, Nomination & Compensation Committee makes recommendations to the Board on the policy framework, Executive Compensation and its costs. GNC Committee establishes and maintains the Company's equity, compensation policies, practices and reviews. The Committee makes recommendations to the Board concerning the Company's incentive compensation plans that are subject to the Board's approval. It also defines processes for determining executive and non-executive compensation. The Committee establishes the criteria for Board and Board Committee membership, reviews the candidate's qualification and any potential conflict of interest. It ensures that succession policy and plan exist for the positions of the Chairman, CEO, Directors and Heads of Department. It reviews and makes recommendations to the Board for the approval of the Company's organizational structure with any proposed amendment(s). The Committee also monitors the compliance of the Company to the Code of Corporate Governance. Details of attendance by each of the Committee members are shown below:

## 16. Governance, Nomination and Compensation (GNC) Committee's Attendance Record

S/No	Director	Position	28/07/22	27/10/22	26/01/23	27/04/ 23
1.	Sir Matthias Umego	Chairman	P	P	P	P
2.	Mrs. Ijeoma Ezeasor	Member	P	P	P	P
3.	Dr. Chidozie Nsoedo	Member	P	P	P	P
4.	Prince Charles Orizu	Member	P	P	P	P

## 17. Statutory Audit Committee

In compliance with Section 401 of the Companies and Allied Matters 2020, members of the Audit Committee of the Company were elected at the last Annual General Meeting. The Committee comprises a mixture of Non-Executive Directors and ordinary shareholders elected at the Annual General Meeting. The functions of the Committee are laid down in Section 407 of the Companies and Allied Matters Act CAP 2020. Details of attendance by each of the members of the Audit Committee are shown below:

S/No	Director	Position	05/10/22	23/11/22	22/02/23	12/07/23
1.	Mr. Chima Nwosu	Chairman	P	P	P	P
2.	Chief Edmund Njoku	Member	P	P	P	A
3.	Jude Okpala	Member	P	P	P	P
4.	Dr. Chidozie Nsoedo	Member	P	P	P	P
5.	Mr. Ikechukwu Okonkwo	Member	P	P	P	P

**Key: 'P' stands for present while 'A' stands for absent**

## 18. Risk Management and Compliance System

We remain committed to sustainable enterprise-wide risk management practices to drive organisational growth. The Board of Directors of Cutix Plc is responsible for the enterprise risk management and implementation of the Company's business. This responsibility is delegated to the Audit Risk and Compliance Committee of the Board which is vested with the responsibility of reviewing the adequacy of the internal controls, the framework, policies and processes deployed in identifying principal risks of the business and management of the Company's risk framework. The principal aim of Cutix Plc's risk management systems is to identify, evaluate and manage risks with a view to enhancing the value of shareholders' investments and safeguarding assets. Our risk management process is disciplined and methodical to ensure value addition and value protection for the Company. Cutix Plc considers risk management philosophy and culture as the set of shared beliefs, values, attitudes and practices that characterize how it considers risk in everything it does, from strategy development and implementation to its day-to-day activities.

## 19. Monitoring Compliance with Corporate Governance

The Company's Chief Compliance Officer who is also the Company Secretary monitors compliance with the requirements and the implementation of the Code of Corporate Governance. The Company Secretary forwards regular returns to the regulatory bodies and also on corporate governance compliance.

## **20. Complaint Management Policy**

The Company has a Complaint Management Policy in place for the shareholders in compliance with the requirements of the Securities and Exchange Commission (SEC). The Policy sets out the broad framework by which the Company handles shareholder's complaints in a fair, impartial, efficient and timely manner.

## **21. Whistle-Blowing Policy**

The Company has a whistleblowing system in place. This provides an avenue for employees and third parties dealing with the Company to report concerns about any suspected misconduct which may arise from the violation of laws and regulations, the Company's Code of Business ethics or the various policies, rules, standards and procedures under which the Company operates. The Board has continued to set the tone for strong ethical and professional standards in terms of ensuring that shareholders' reputation and financial assets are safeguarded. This encourages employees at all levels to inform Management of any negative development that might impede the value, performance and image of the Company. Any staff, consultant, director or member of the public who in good faith reports an irregularity in compliance with the provisions of the policy shall be protected against any act of retribution. Internally, there are opinion boxes kept in strategic locations to enable employees report any identified breach in the Company. The Company has a dedicated hotline and e-mail address provided for the purpose of whistleblowing which are 046281198 and whistleblower@cutixplc.com.ng respectively.

## **22. Clawback Policy for Cutix Plc**

Cutix Plc has policy in place for the potential recovery of excess incentive-based compensation paid or payable (whether based on cash or equity) to covered employees in the event the financial statements of the Company are restated or because of misconduct by the employee or noncompliance with the Financial Reporting requirement. The covered employees include any officer of the Company and any other individual designated from time to time by the Board. The Governance and Compensation Committee of the Board is responsible for overseeing the application of this policy.

## **23. Security Trading Policy**

The Company has a policy guiding its Directors, Management and other related parties in trading on the securities of the Company as set out by the Nigerian Exchange Limited (“the Exchange or NGX”). The policy assists all the insiders of the Company to understand the restrictions placed on them concerning their securities transactions and to avoid insider dealing during Closed Periods. Directors, insiders and their related persons in possession of confidential price sensitive information (“insider information”) are prohibited from dealing on the securities of the Company where such would amount to insider trading.

## **24. Effectiveness of Internal Control System**

In Cutix Plc, the Enterprise Assurance Unit is responsible for monitoring and assessing the operation of the internal control system to ensure its effectiveness and for making recommendations for improvement. This is achieved by routine audit of harmonized systems of all the Units in the Company. The Enterprise Assurance Unit identifies risks and weaknesses in the system and proffers solution to eliminate them. To ensure independence of this important function, the line of reporting is clearly defined with the head of the unit reporting directly to the Audit, Risk and Compliance Committee of the Board quarterly while having a line of communication with the Chief Executive Officer.

## **25. Relationship With Stakeholders**

Cutix Plc maintains effective communication with its shareholders and this enables them understand the Company's business, financial condition, operating performance and trends. Apart from our Annual Report and Accounts, proxy statements and formal shareholders' meetings, the Company maintains an investor's portal on the website that provides information on a wide range of issues for all stakeholders. The Company regularly files statutory returns to the Securities and Exchange Commission (SEC) and the Nigerian Exchange Limited (“the Exchange or NGX”) which are usually accessible to the shareholders on the NGX's portal.

## **HIGHLIGHTS OF SUSTAINABILITY ISSUES**

### **Report on Environmental, Social and Governance (ESG) Activities**

Cutix Plc is committed to building an enduring institution that incorporates environmental, social and governance standards into its business operations and activities. The Company pays adequate attention to the interest of its stakeholders such as its shareholders, employees, host community, consumers, government, and the public. The Company is also sensitive to the country’s social and cultural diversity and promotes national interests as well as national ethos and values without comprising global aspirations where applicable. The Company has a culture of integrity including zero tolerance for corruption and corrupt practices. Our aim is to be recognised as the best performing and most trusted brand in the world. We understand that to achieve this, we need to deliver on our sustainable development commitments. We implemented initiatives that helped us advance our sustainable development strategy within the period under review as stated below:

#### **A. Environment**

##### **i. Environmental Sustainability**

In view of our established company culture, which encourages fairness to all stakeholders, we are overtly committed to corporate social responsibility. Cutix Plc is focused on reducing any undesirable impact of its operations on the environment. We ensure that an Environmental Impact Assessment (EIA) is carried out before we commence any new project. Periodic audits are also carried out and recommendations are implemented where necessary.

##### **ii. Training and Welfare of Employees**

We ensure there is available work and enhancing the skill of our workforce has always been our priority in Cutix PLC. We expose staff to both internal and external trainings once we observe any training gap, introduce new procedure, or develop an invention. We aim at offering a competitive welfare package while providing a conducive work environment allowing every employee to ensure that we meet our corporate charter. We also introduced a reward programme in the Company to attract, motivate and retain quality employees.

##### **iii. Health and Safety of Employees**

Occupational Health and Safety of employees is important for all operational activities in the Company. Management is committed to avoiding industrial accidents through increased awareness/training on safety to all stakeholders. The company installed fire detectors and fire-fighting equipment in strategic locations within the company’s premises to attest to this commitment. We occasionally conduct fire drills for employees to create safety awareness. Periodically, we engage the Red Cross Society for training and provision of basic information to staff and immediate host community on responses. We invite at regular intervals medical experts and health institutions to carry out screening exercise for all members of staff to know their status regarding contagious diseases, prevention and its treatment. Within the financial year, Hepatitis B awareness and vaccination were carried out.

## **B. Social Issues**

### **i. Community Investment and Corporate Social Responsibility**

Cutix Plc is committed to ensuring that she creates value for all the stakeholders and her host community who contribute to our business success. We passionately believe that Corporate Social Responsibility (CSR) should be at the forefront of our strategic objectives. Thus, the Company is committed to creating an enduring partnership for sustainable development. As part of our commitment to the welfare of the community where we operate, we provide potable drinking water to alleviate the sufferings of the residents. The Company invites students and pupils of selected schools in the host community to her annual Children's Christmas party. The Company also provides electricity to her immediate neighbours which is aimed at giving back to the community.

### **ii. Sponsorships and Donations**

Cutix Plc is the principal sponsor of the annual East of the Niger Inter-Club Tennis Tournament (ENIC). The Company also gives annual subvention to the Rehabilitation Centre for the Disabled, Old and Tramps (RECDOT) and the veterans. Financial assistance was given to approved vigilante groups, and educational institutions and scholarships were given to indigent students during the period under review.

### **iii. Consumer Communication**

The dangers encountered in using substandard electrical cables and wires have made Cutix Plc to continually educate and encourage the users of electrical cables and wires on the need to constantly insist on electrical products that conforms to standards. Our products are both human and environmentally friendly thereby making us distinctive in the cable manufacturing Industry. Customers can identify our products with our special features which are but not limited to:

- Inscription on the cable (cable type, size, voltage rating and brand name)
- A branded strapping tape for holding the wrap firm.
- Label bearing the parameters as inscribed and the standard quantity per wrap.
- Branded wrapping poly sheet covering the cable without a hollow.
- Power cables packed in branded drums with the drum numbers boldly written.

The Company provides various feedback channels which include website, emails, official phone numbers and feedback form circulated every quarter.

### **iv. Quality Assurance and Product Safety**

In Nigeria, West Africa and beyond, the brand name Cutix cable assures customers that the product is of exclusive quality, safe and value-added. We have instituted national and international procedures to ensure that our processes, products, and services quality meet all relevant standards. These instituted procedures are reviewed regularly in line with emerging technologies in the industry for continual improvement. The Company has consistently retained the quarterly MANCAP certification. Within the year, Cutix PLC won the International Standard Excellence Award as the best world class cable manufacturing company of the decade by the International Standard Organisation and the Industrial Giant Award from Nigerian Association of Technologists in Engineering.

## v. Training Initiatives and Development of Employees

In Cutix Plc, we prioritize the development of our workforce to ensure that they have the necessary skills and knowledge to perform their duties effectively. To achieve this, we closely monitor the skill levels of our staff and provide them with technical training to bridge any gap. Our aim is to significantly reduce our expenses on outsourcing certain skills by building the expertise in-house. We are constantly on the lookout for talented individuals within our workforce who have the potential to be key drivers of our organization's success. We create an enabling structure and plan for their development, with a focus on cultivating leadership and critical thinking skills. By investing in our employees, we are building a strong and resilient workforce that can adapt to the changing needs of the organization and drive our success in the long run.

In Cutix Plc, we are futuristic and actively pursuing skill development in emerging trends in the critical sections of the organization. We believe that by investing in our employees' development, we create a more skilled and motivated workforce that is better equipped to tackle the challenges of tomorrow. To achieve this, we carried out a range of training programs and initiatives that are designed to enhance our employees' technical knowledge, soft skills, and leadership abilities. These programs include on-the-job trainings, classroom trainings, mentorship trainings, and leadership development trainings. We also encourage our employees to pursue further education and professional development opportunities outside of the organization, and we provide support to help them do so. By prioritizing the development of our employees, we are building a stronger, more competitive organization that is well-positioned to succeed in today's rapidly changing business landscape.

## vi. Gender Equality and Diversity

Cutix Plc values gender equality and diversity, hence, we are committed to creating a work environment with dignity and respect. We treat the male & female genders fairly and provide supportive and safe environment to all without discrimination. Our employees are made up of individuals from different parts of the country and every employee is given an equal opportunity for enhancement based on merit.

### Gender Analysis

The total number of employees of the Company within the year under review by gender and level is as follows:

#### i. Analysis of Total Employees

	Gender Number			Gender Percentage	
	Male	Female	Total	Male	Female
Employees	183	75	258	71%	29%

#### ii. Analysis of Board members and Top Management

	Gender Number			Gender Percentage	
	Male	Female	Total	Male	Female
Board Members (Executive & Non – Executive Directors)	6	3	9	63%	37%
Senior Management (AGM – GM)	-	1	1	-	100%

## **C. Governance Issues**

### **i. Business Ethics**

Our commitment to doing business ethically and legally is the foundation of the Company's culture which is shaped by its six core values -Boldness, Excellence, Innovation, Integrity, Openness and Proactiveness. These values guide our actions in conducting business in a socially responsive and ethical manner.

We conduct our operations with respect for the human rights and interests of our employees. Similarly, we respect the legitimate interests of those with whom we relate. The company is committed to providing branded products and services which consistently offer value in terms of price and quality, which are safe for their intended use. Our business operations are conducted in accordance with national and internationally accepted principles of good corporate governance. We provide timely, regular reliable information on our activities, structure, financial situation and performance to all shareholders and legal authorities.

### **ii. Bribery and Corruption**

Cutix Plc condemns any form of bribery and corruption. Our employees must never directly or through intermediaries, offer or promise any personal or improper financial gratifications or other advantages to obtain or retain a business or other favours from a third party, whether public or private. Employees are not allowed to offer or receive a bribe.

### **iii. Relationship with Regulators**

Cutix Plc maintains a cordial relationship with all relevant regulatory authorities. The Company promptly complies with and responds to all requests made, according to the law, providing information to the regulators and other relevant agencies.

### **iv. Customer and Supplier Relations**

Cutix Plc has been committed to demonstrating honesty, integrity and fairness to her customers, contractors, suppliers as well as agents. Thus, they are in return expected to adhere strictly to the company's non-negotiable standards for a smooth and fair relationship between both parties.

## **28. Statement of Compliance with Corporate Governance**

The Company complies with all the legislation and applicable regulations of the Nigerian Exchange Limited (NGX), the Securities & Exchange Commission (SEC) and Financial Reporting Council (FRC). The Directors confirm that, to the best of their knowledge as at the date of this report, the Company has been and is in substantial compliance with the provisions of the Code of Corporate Governance and the requirements of the Regulators.

## **29. Independent Auditors**

Ngozi Monica Okonkwo & Co. who was appointed in November 2020 acted as the Company's Independent Auditor during the year under review. The firm has indicated its willingness to continue in office as Independent Auditor in accordance with Section 401 (2) of the Companies and Allied Matters Act 2020. The Independent Auditor will be re-appointed at the next Annual General Meeting of the Company without any resolution being passed.

BY ORDER OF THE BOARD



CHINWENDU NWOKPORO (ACIS)

**COMPANY SECRETARY**

FRC/2019/ICSAN/00000019775

July 13, 2023

## CUTIX PLC

### STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PERIOD ENDED 30 APRIL 2023

The Directors accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view in compliance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria Act, 2011.

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

- Ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act of Nigeria, and the Financial Reporting Council of Nigeria Act;
- Designing, implementing and maintaining an effective and sound system of internal controls throughout the Company to safeguard the assets and prevent and detect fraud and other irregularities;
- Preparing the Company's financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.

The Directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Company and Group and of the financial performance and cashflows for the year. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

The financial statements of the Company and Group for the year ended 30th April 2023 were approved by the Directors on July 13, 2023.

#### SIGNED ON BEHALF OF THE DIRECTORS OF THE COMPANY BY:



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AMB. OKWUDILI NWOSU  
**CHAIRMAN**  
FRC/2019/NSE/00000019801



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MRS. IJEOMA ODUONYE (ACIS)  
**CHIEF EXECUTIVE OFFICER**  
FRC/2016/ICSAN/0000015363



## CUTIX PLC

### STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2023

In line with the provision of Section 405 of CAMA 2020, we have reviewed the audited financial statements of the Company for the year ended 30<sup>th</sup> April 2023 and based on our knowledge confirm as follows:

1. The audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading.
2. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for the period ended 30<sup>th</sup> April 2023.
3. The Company's Internal Controls have been designed to ensure that all material information relating to the Company and its Subsidiary is received and provided to the Auditors in the course of the Audit.
4. The Company's Internal Controls were evaluated within 90 days of the financial reporting date and are effective as at 30<sup>th</sup> April 2023.
5. That we have disclosed to the Company's Auditors and Audit Committee the following information:
  - a. There are no significant deficiencies in the design or operation of the Company's Internal Controls which could adversely affect the Company's ability to record, process, summarise and report financial data, and have discussed with the Auditors any material weaknesses in Internal Controls observed in the cause of the audit.
  - b. There is no fraud involving management or other employees which could have any significant role in the Company's Internal Controls.
6. There are no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of this audit, including any corrective actions with regard to any observed deficiencies and material weakness.

Dated this 13<sup>th</sup> July 2023



MRS. JANE EBERE NWABUEZE (ACA)  
**CHIEF FINANCIAL OFFICER**  
FRC/2021/001/00000025337



MRS. IJEOMA ODUONYE (ACIS)  
**CHIEF EXECUTIVE OFFICER**  
FRC/2016/ICSAN/0000015363

## **STATUTORY AUDIT COMMITTEE'S REPORT FOR THE PERIOD ENDED 30 APRIL 2023**

### **TO THE MEMBERS OF CUTIX PLC**

In compliance with the provisions of section 404(7) of the Companies and Allied Matters Act 2020, we confirm that we have:

1. Reviewed the scope and planning of the audit requirements.
2. Reviewed the external auditors' Management Letter for the year ended 30 April 2023, as well as the Management's response thereon;
3. Reviewed the effectiveness of the Company's system of accounting and internal controls.
4. Ascertained that the accounting and reporting policies of the Company for the year ended 30 April 2023 are in accordance with legal requirements and agreed ethical practices.

In our opinion, the scope and planning of the audit for the year ended 30 April 2023 were adequate and Management's responses to the External Auditors' findings were satisfactory.

In addition, the scope, planning and reporting of these Financial Statements were in compliance with the requirement of the Financial Reporting Standards as adopted by the Company.

Dated this 12<sup>th</sup> July 2023



**MR. CHIMA NWOSU (FCA)**  
**CHAIRMAN, AUDIT COMMITTEE**  
FRC/2013/ICAN/00000001042

#### **Members of the Audit Committee**

Mr. Chima Nwosu	Chairman	(Shareholders' Representative)
Chief Edmund Njoku	Member	(Shareholders' Representative)
Mr. Jude Okpala	Member	(Shareholders' Representative)
Dr. Chidozie Nsoedo	Member	(Directors' Representative)
Mr. Ikechukwu Okonkwo	Member	(Directors' Representative)



# **Ngozi Monica Okonkwo & Co.**

BN  
986676

(Chartered Accountants & Fraud Examiners)

Duplex 11 Ugochukwu Housing Estate, SabMiller Crescent  
Off Atani Road, P. O. Box 14431, Onitsha, Anambra State  
Phone: 0803 322 1761 Email: [ngmonik@yahoo.co.uk](mailto:ngmonik@yahoo.co.uk)

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CUTIX PLC**

### **Report on Audit of the Consolidated and Separate Financial Statements**

#### **Our Opinion**

In our opinion, the consolidated and separate financial statements of Cutix Plc (“**the Company**”) and its subsidiary (together referred to as “**the Group**”) give a true and fair view of the consolidated and separate financial position of Cutix Plc as at 30th April 2023 and the consolidated and separate financial performance and statement of cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act 2020 and the Financial Reporting Council of Nigeria Act, 2011.

#### **What We Audited**

- ❖ Consolidated and Separate Statement of Financial Position as at 30th April 2023,
- ❖ Consolidated and Separate Statement of Comprehensive Income for the year ended, 30th April 2023,
- ❖ Statements of Changes in Equity for the year ended, 30th April 2023,
- ❖ Consolidated and Separate Statement of cash flows for the year ended, 30th April 2023,
- ❖ The Notes to the Financial Statements, which include a summary of significant accounting policies.

#### **Basis of Our Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report.

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

#### **Independence**

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current year.

No matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## **Other information**

The Directors are responsible for the other information. The other information comprise Performance Highlights, Mission Statements, Corporate Information, Board of Directors' and Company Secretary's Profile, Directors' Report, Statement of Directors' Responsibilities, Audit Committee's Report, Value Added Statement, Five-year Financial Summary and Cutix Plc's distributors (but does not include the financial statements and our Auditor's Report, thereon), which we obtained prior to the date of this auditors' report, and the other sections of the Company's 2023 Annual Report, which are expected to be made available to us after that date.

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

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

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Consolidated and Separate Financial Statements**

The Directors are responsible for the preparation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020, Financial Reporting Council Act, 2011 and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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

- ❖ Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal control.

- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- ❖ Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

- ❖ Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the Group and Company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

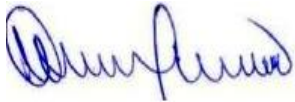
From the matters communicated with the audit committee and/or the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits derivable by the public from such communication.

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

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

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. The Group and Company have kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us.
- iii. The Group and Company's statement of financial position, statements of profit or loss and comprehensive income are in agreement with the books of account and returns.



**Ngozi Monica Okonkwo, FCA**

*(Engagement Partner)*

**FRC/ICAN/2013/00000000916**

**For: NGOZI MONICA OKONKWO & CO**

**(Chartered Accountants)**

**ONITSHA-NIGERIA**

**14<sup>th</sup> July 2023.**



## CUTIX PLC

### CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH APRIL 2023

	Note	Group		Company	
		30/4/2023 ₦'000	30/4/2022 ₦'000	30/4/2023 ₦'000	30/4/2022 ₦'000
Revenue	6	9,248,003	7,867,764	9,225,071	7,852,391
Cost of Sales	7	(6,961,650)	(5,745,456)	(6,946,005)	(5,732,426)
<b>Gross Profit</b>		<b>2,286,353</b>	2,122,308	<b>2,279,066</b>	2,119,965
Selling and Distribution Expenses	8	(137,047)	(163,802)	(136,649)	(162,998)
Administrative Expenses	9	(855,273)	(670,293)	(846,236)	(664,028)
<b>Operating (Loss)/ Profit</b>		<b>1,294,033</b>	1,288,213	<b>1,296,181</b>	1,292,939
Other Income	10	79,698	83,150	79,698	82,585
Finance Cost	11	(182,211)	(213,722)	(182,211)	(213,722)
<b>Profit Before Tax</b>	12	<b>1,191,520</b>	1,157,641	<b>1,193,668</b>	1,161,802
Income Tax Expense	13	(401,535)	(371,335)	(401,535)	(371,335)
<b>Profit for the Year</b>		<b>789,985</b>	786,307	<b>792,132</b>	790,467
Other Comprehensive Income		-	-	-	-
<b>Total Comprehensive Income for the year</b>		<b>789,985</b>	786,307	<b>792,132</b>	790,467
Earnings per Share (Kobo) - Basic		22.43	22.32	22.49	22.44

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

**CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT  
30TH APRIL 2023**

	Notes	Group		Company	
		30/4/2023 ₦'000	30/4/2022 ₦'000	30/4/2023 ₦'000	30/4/2022 ₦'000
<b><u>Assets:</u></b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	14	1,090,727	1,054,801	964,723	927,040
Intangible Assets	15	1,517	3,035	1,517	3,035
Long Term Prepayments	16	37,120	1,092	37,120	1,092
Investment	17	-	-	107,538	143,383
<b>Total Non-Current Assets</b>		<b>1,129,364</b>	<b>1,058,928</b>	<b>1,110,898</b>	<b>1,074,550</b>
<b>Current Assets</b>					
Inventories	18	2,983,499	2,754,237	2,954,063	2,718,392
Trade and other Receivables	19	1,553,103	1,165,944	1,565,008	1,160,583
Other Prepayments	20	53,616	12,354	53,616	12,354
Cash and Bank Balances	21.1	122,422	124,637	113,205	120,592
<b>Total Current Assets</b>		<b>4,712,640</b>	<b>4,057,172</b>	<b>4,685,892</b>	<b>4,011,921</b>
<b>Total Assets</b>		<b>5,842,004</b>	<b>5,116,100</b>	<b>5,796,790</b>	<b>5,086,471</b>
<b><u>Equity and Liabilities</u></b>					
<b><u>Equity:</u></b>					
<b>Capital and Reserves</b>					
Share Capital	23	1,761,322	1,761,322	1,761,322	1,761,322
Retained Earnings	24	1,406,628	943,134	1,471,479	1,005,838
<b>Total equity attributable to owners of the Company</b>		<b>3,167,950</b>	<b>2,704,456</b>	<b>3,232,801</b>	<b>2,767,160</b>
<b><u>Liabilities:</u></b>					
<b>Non-Current Liabilities</b>					
Deferred Tax Liabilities	13.3	235,918	214,267	231,837	210,185
<b>Total Non-Current Liabilities</b>		<b>235,918</b>	<b>214,267</b>	<b>231,837</b>	<b>210,185</b>
<b>Current Liabilities</b>					
Short Term Borrowings	25	1,303,228	1,078,389	1,303,228	1,053,511
Trade and other Payables	22	754,956	749,020	648,972	685,648
Current Tax Liabilities	13.1	379,952	369,969	379,952	369,969
<b>Total Current Liabilities</b>		<b>2,438,136</b>	<b>2,197,378</b>	<b>2,332,152</b>	<b>2,109,127</b>
<b>Total Liabilities</b>		<b>2,674,054</b>	<b>2,411,644</b>	<b>2,563,989</b>	<b>2,319,312</b>
<b>Total Equity and Liabilities</b>		<b>5,842,004</b>	<b>5,116,100</b>	<b>5,796,790</b>	<b>5,086,471</b>

The Financial Statements on pages 31 to 35 and Notes to the Financial Statement on pages 36 to 50 were approved by the Board of Directors on 13th July 2023 and signed on its behalf by:



AMB. OKWUDILI NWOSU  
CHAIRMAN  
FRC/2019/NSE/00000019801



MRS. IJEOMA ODUONYE (ACIS)  
CHIEF EXECUTIVE OFFICER  
FRC/2016/ICSAN/00000015363



MRS. JANE EBERÉ NWABUEZE (ACA)  
CHIEF FINANCIAL OFFICER  
FRC/2021/001/00000025337



CUTIX PLC

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH APRIL, 2023

<b>Group</b>			
	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	₦'000	₦'000	₦'000
<b>Balance as at May 1, 2022</b>	1,761,322	943,134	<b>2,704,456</b>
Changes in Equity for the year	-	-	-
Profit for the year	-	789,985	<b>789,985</b>
Total Equity in the year	<b>1,761,322</b>	<b>1,733,119</b>	<b>3,494,441</b>
<b>Transactions with owners recorded directly in Equity</b>			
Dividend paid during the year	-	(352,264)	<b>(352,264)</b>
Unclaimed Dividend written back	-	25,773	<b>25,773</b>
Total Transactions with owners	-	<b>(326,491)</b>	<b>(326,491)</b>
<b>As at April 30, 2023</b>	<b>1,761,322</b>	<b>1,406,627</b>	<b>3,167,950</b>
<b>Balance as at May 1, 2021</b>			
	880,661	1,275,129	<b>2,155,790</b>
Changes in Equity for the year	880,661	(880,661)	-
Profit for the year	-	786,307	<b>786,307</b>
Total Equity in the year	<b>1,761,322</b>	<b>1,180,775</b>	<b>2,942,097</b>
<b>Transactions with owners recorded directly in Equity</b>			
Dividend paid during the year	-	(264,198)	<b>(264,198)</b>
Unclaimed Dividend written back	-	26,558	<b>26,558</b>
Total Transactions with owners	-	<b>(237,640)</b>	<b>(237,640)</b>
<b>As at April 30, 2022</b>	<b>1,761,322</b>	<b>943,134</b>	<b>2,704,456</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH APRIL, 2023**

<b>Company</b>			
	<b>Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>Balance as at May 1, 2022</b>	1,761,322	1,005,838	<b>2,767,160</b>
Changes in Equity for the year	-	-	-
Profit for the year		<u>792,132</u>	<u>792,132</u>
Total Equity in the year	<u>1,761,322</u>	<u>1,797,970</u>	<u>3,559,292</u>
<b>Transactions with owners recorded directly in Equity</b>			
Dividend paid during the year	-	(352,264)	<b>(352,264)</b>
Unclaimed Dividend written back	-	<u>25,773</u>	<u>25,773</u>
Total transactions with owners	-	<u>(326,491)</u>	<u>(326,491)</u>
<b>at April 30, 2023</b>	<u>1,761,322</u>	<u>1,471,479</u>	<u>3,232,801</u>
<b>Balance as at May 1, 2021</b>			
	880,661	1,333,671	<b>2,214,332</b>
Changes in Equity for the year	880,661	(880,661)	-
Profit for the year		<u>790,467</u>	<u>790,467</u>
Total Equity in the year	<u>1,761,322</u>	<u>1,243,477</u>	<u>3,004,799</u>
<b>Transactions with owners recorded directly in Equity</b>			
Dividend paid during the year	-	(264,198)	<b>(264,198)</b>
Unclaimed Dividend written back	-	<u>26,558</u>	<u>26,558</u>
Total transactions with owners	-	<u>(237,640)</u>	<u>(237,640)</u>
<b>As at April 30, 2022</b>	<u>1,761,322</u>	<u>1,005,838</u>	<u>2,767,160</u>

# CUTIX PLC

## CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH APRIL 2023

	Note	Group		Company	
		30/4/2023 ₦'000	30/4/2022 ₦'000	30/4/2023 ₦'000	30/4/2022 ₦'000
<b><i>Cashflow from Operating Activities</i></b>					
Cash Receipts from Customers		8,940,542	7,733,153	8,900,342	7,687,888
Cash Paid to Suppliers and Employees		(7,867,617)	(5,967,630)	(7,834,317)	(5,900,747)
Value Added Tax - Input		155,651	295,115	155,651	295,115
Value Added Tax - (Output)		(338,646)	(590,103)	(336,926)	(588,929)
<b>Cash Generated from Operations</b>		<b>889,930</b>	<b>1,470,535</b>	<b>884,750</b>	<b>1,493,327</b>
Income Taxes paid through WHT		(20,042)	-	(20,042)	-
Tax Paid	13.1	(349,858)	(289,911)	(349,858)	(289,911)
<b><i>Net cash generated /(used) from Operating Activities</i></b>		<b>520,030</b>	<b>1,180,624</b>	<b>514,849</b>	<b>1,203,416</b>
<b><i>Cashflow from Investing Activities</i></b>					
Purchase of Property, Plant and Equipment	14	(271,689)	(250,881)	(271,689)	(250,881)
Sales proceed from disposal of Assets		8,436	2,235	8,436	2,235
<b><i>Net Cash used for Investing Activities</i></b>		<b>(263,252)</b>	<b>(248,645)</b>	<b>(263,253)</b>	<b>(248,646)</b>
<b><i>Cashflow from financing Activities</i></b>					
Dividend paid		(352,264)	(264,198)	(352,264)	(264,198)
Unclaimed Dividend written back		25,773	26,558	25,773	26,558
Finance Costs		(182,211)	(213,722)	(182,211)	(213,722)
Long Term Borrowing		-	(81,844)	-	(81,844)
Short-Term Borrowing	25	249,717	(384,713)	249,717	(409,591)
<b><i>Net Cash (used)/ generated in Financing Activities</i></b>		<b>(258,984)</b>	<b>(917,917)</b>	<b>(258,985)</b>	<b>(942,795)</b>
Net Increase in Cash and Cash Equivalents		(2,214)	14,061	(7,388)	11,974
Cash and Cash Equivalents at beginning of year	21.1	124,636	110,575	120,592	108,618
<b>Cash and Cash Equivalents at end of year</b>	21.1	<b>122,422</b>	<b>124,636</b>	<b>113,204</b>	<b>120,592</b>

# CUTIX PLC

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30TH APRIL 2023

	Group		Company	
	30/4/2023 ₦'000	30/4/2022 ₦'000	30/4/2023 ₦'000	30/4/2022 ₦'000
<b>6 Revenue</b>				
Analysis of the Company's Revenue is as follows:				
Cables and Wire (see Note 6.1)	<b>5,898,535</b>	5,745,004	<b>5,898,535</b>	5,745,004
Metal Product	<b>126,178</b>	36,454	<b>126,178</b>	36,454
Armoured Cable	<b>3,200,358</b>	2,070,932	<b>3,200,358</b>	2,070,932
Distribution Board	<b>281</b>	194	-	-
Switch Panels	<b>19822</b>	13,702	-	-
Distribution Box	<b>96</b>	189	-	-
Fuse bases	-	58	-	-
Busbar chamber	-	168	-	-
Change over Switch	<b>2733</b>	1,062	-	-
	<b>9,248,003</b>	7,867,764	<b>9,225,071</b>	7,852,391
<b>6 Cables and Wire</b>				
House Wiring Cable	<b>5,325,059</b>	5,267,087	<b>5,325,059</b>	5,267,087
Flexible Cable	<b>307,680</b>	279,796	<b>307,680</b>	279,796
Twisted Cable	<b>232,449</b>	187,580	<b>232,449</b>	187,580
Auto Cable	<b>33,347</b>	10,541	<b>33,347</b>	10,541
	<b>5,898,535</b>	5,745,004	<b>5,898,535</b>	5,745,004
<b>7 Expenses by Nature - Cost of Sales</b>				
Depreciation Expenses - Production	<b>218,101</b>	180,481	<b>216,347</b>	178,037
Insurance - Production	<b>4,897</b>	11,488	<b>4,897</b>	11,488
Maintenance - Production	<b>78,195</b>	59,527	<b>78,142</b>	58,459
Power Charges	<b>25,433</b>	25,594	<b>25,433</b>	25,594
Production Supplies	<b>481,195</b>	264,277	<b>481,128</b>	264,185
Production Wages	<b>175,858</b>	151,856	<b>173,553</b>	150,020
Raw Material Cost	<b>5,941,616</b>	4,952,854	<b>5,930,150</b>	4,945,263
Production Incentive	-	65,869	-	65,869
Motor Vehicle - COS	<b>36,354</b>	33,510	<b>36,354</b>	33,510
	<b>6,961,650</b>	5,745,456	<b>6,946,005</b>	5,732,426
<b>8 Expenses by Nature - Selling and Distribution Expenses</b>				
Distribution Expenses	<b>71,321</b>	89,516	<b>71,026</b>	88,770
Advertisement and Promotions	<b>65,726</b>	74,287	<b>65,624</b>	74,229
	<b>137,047</b>	163,802	<b>136,649</b>	162,998

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL 2023**

	Group		Company	
	30/4/2023 N'000	30/4/2022 N'000	30/4/2023 N'000	30/4/2022 N'000
<b>9 Expenses by Nature - Administrative Expenses</b>				
Amortisation Charge	1,517	1,518	1,517	1,518
Audit Fees	4,510	4,500	4,000	4,000
Bad Debt	3,326	8,137	3,326	8,137
Bank Charges	16,034	14,115	15,990	14,064
Communication Expenses	14,486	12,269	14,458	12,254
Corporate Social Responsibility	112,913	6,473	112,913	6,473
Depreciation	59,040	48,515	59,040	48,515
Directors' Emolument	17,820	13,831	17,820	13,831
Entertainment Expenses	4,816	2,563	4,816	2,493
Insurance	9,884	9,169	9,884	9,169
Licensing & Fees	-	2,052	-	2,052
Medical and Welfare	89,776	70,533	88,266	70,317
Pension (Management Contribution)	30,243	34,759	30,224	34,759
Printing and Stationeries	2,469	2,732	2,468	2,659
Professional Services	3,796	7,275	3,796	7,275
Rent and Rates	21,571	19,113	21,511	19,108
Repairs and Maintenance	19,457	14,783	19,379	14,609
Research and Development	1,530	900	1,530	900
Retirement Benefits	12,461	14,489	12,461	14,489
Staff Salaries	256,661	245,447	250,235	241,887
Subscriptions and Periodicals	17,100	16,064	17,100	15,143
Training and Development	10,715	3,021	10,715	3,021
Transport and Traveling	120,539	98,940	120,353	98,479
Utility Expenses	10,596	9,075	10,421	8,856
Vehicle Operating Expenses	14,012	10,020	14,012	10,020
	<b>855,273</b>	<b>670,293</b>	<b>846,236</b>	<b>664,028</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL 2023**

	Group		Company	
	30/4/2023 ₦'000	30/4/2022 ₦'000	30/4/2023 ₦'000	30/4/2022 ₦'000
<b>10 Other Income</b>				
Profit/(Loss) on sale of Property, Plant and Equipment	8,436	2,150	8,436	2,150
Foreign Exchange Difference	3,115	(4,132)	3,115	(4,132)
Sales of Scrap	68,147	68,132	68,147	67,567
Import Grant	-	17,000	-	17,000
	<b>79,698</b>	<b>83,150</b>	<b>79,698</b>	<b>82,585</b>

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

<b>11 Finance Cost</b>				
Interest on Term Loans	2,213	98,168	2,213	98,168
Interest on Commercial Papers	110,629	68,682	110,629	68,682
Interest on Overdraft	69,368	46,872	69,368	46,872
	<b>182,211</b>	<b>213,722</b>	<b>182,211</b>	<b>213,722</b>

<b>12 Profit for the year before Taxation</b>				
(Loss)/Profit before Taxation has been arrived at after charging/(crediting):				
Directors' Fees	1,379	859	1,379	859
Directors Remuneration	16,441	12,972	16,441	12,972
Audit Fees	4,510	4,500	4,000	4,000
Finance Cost	182,211	213,722	182,211	213,722
Depreciation of Property, Plant and Equipment (Note 14)	235,764	193,163	234,010	190,719
Amortisation	1,517	1,518	1,517	1,518
And after Crediting:				
Other Income	76,583	87,282	76,583	86,717
Exchange Gain/(Loss)	3,115	(4,132)	3,115	(4,132)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL, 2023**

	<b>Group</b>		<b>Company</b>	
	<b>30/4/2023</b>	30/4/2022	<b>30/4/2023</b>	30/4/2022
	<b>₦'000</b>	₦'000	<b>₦'000</b>	₦'000
<b>13 Tax Expense</b>				
<b>13.1 Income Tax recognised in Profit or Loss</b>				
<b>Current Tax</b>				
<u>Current Tax expense for Current year:</u>				
Income Tax	<b>344,210</b>	323,960	<b>344,210</b>	323,960
Education Tax	<b>35,614</b>	33,916	<b>35,614</b>	33,916
NPTF Levy	<b>60</b>	40	<b>60</b>	40
Deferred Tax (Note 13.3)	<b>21,652</b>	13,419	<b>21,652</b>	13,419
Balance Per Income Statement	<b>401,535</b>	371,335	<b>401,535</b>	371,335
<b>Current Liabilities in the Statement of Financial Position</b>				
Taxation on Profit on Ordinary Activities	<b>344,210</b>	335,237	<b>344,210</b>	335,237
Education Tax	<b>35,614</b>	34,663	<b>35,614</b>	34,663
NPTF Levy	<b>60</b>	40	<b>60</b>	40
	<b>379,883</b>	369,939	<b>379,883</b>	369,939
Balance Brought Forward	<b>369,969</b>	289,942	<b>369,969</b>	289,941
Payments During the Year	<b>(349,858)</b>	(289,911)	<b>(349,858)</b>	(289,911)
Withholding Tax Utilised	<b>(20,042)</b>	-	<b>(20,042)</b>	-
Balance per Statement of Financial Position	<b>379,952</b>	369,969	<b>379,952</b>	369,969
<b>13.2 Deferred Tax</b>				
At May 1,	<b>214,266</b>	196,766	<b>210,185</b>	196,766
Charged to Profit or Loss	<b>21,652</b>	13,419	<b>21,652</b>	13,419
At April 30,	<b>235,918</b>	210,185	<b>231,837</b>	210,185
<b>Reconciliation of Effective Tax Rate</b>				
Profit for the year	<b>789,985</b>	786,307	<b>792,132</b>	790,467
Total Income Tax Expense	<b>379,952</b>	369,939	<b>379,952</b>	369,939
Profit excluding Deferred Tax	<b>1,169,937</b>	1,156,246	<b>1,172,084</b>	1,160,407
<b>Effective Tax Rate</b>	<b>32%</b>	32%	<b>32%</b>	32%

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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL 2023**

13.3 **Deferred Tax**

<b>Group</b>				
	<b>Opening Balance</b>	<b>Recognised in Profit or Loss</b>	<b>Recognised in OCI</b>	<b>Closing Balance</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>As at April 30, 2023</b>				
Deferred Tax Liability or Asset in relation to:				
Property, Plant and Equipment	214,267	21,652	-	<b>235,919</b>
	<b>214,267</b>	<b>21,652</b>	<b>-</b>	<b>235,919</b>
<b>As at April 30, 2022</b>				
Deferred Tax Liability or Asset in relation to:				
Property, Plant and Equipment	200,848	13,419	-	<b>214,267</b>
	<b>200,848</b>	<b>13,419</b>	<b>-</b>	<b>214,267</b>

<b>Company</b>				
	<b>Opening Balance</b>	<b>Recognised in Profit or Loss</b>	<b>Recognised in OCI</b>	<b>Closing Balance</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>As at April 30, 2023</b>				
Deferred Tax Liability or Asset in relation to:				
Property, Plant and Equipment	210,185	21,652	-	<b>231,837</b>
	<b>210,185</b>	<b>21,652</b>	<b>-</b>	<b>231,837</b>
<b>As at April 30, 2022</b>				
Deferred Tax Liability or Asset in relation to:				
Property, Plant and Equipment	196,766	13,419	-	<b>210,185</b>
	<b>196,766</b>	<b>13,419</b>	<b>-</b>	<b>210,185</b>



# CUTIX PLC

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30TH APRIL 2023

### 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
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
<b><u>Cost:</u></b>												
As at May 1, 2021	205,383	456,393	4,200	24,276	200,501	13,776	909,228	274,371	89,202	52,176	6,314	2,235,820
Additions	-	-	-	(0)	109,595	51,153	26,640	36,353	2,121	2,902	22,118	250,881
Reclassification	-	6,613	-	-	47,836	-	(47,836)	-	-	-	(6,613)	-
Disposals	-	-	-	-	(55)	-	-	(2,570)	(420)	(132)	-	(3,177)
<b>Balance as at April 30, 2022</b>	<b>205,383</b>	<b>463,006</b>	<b>4,200</b>	<b>24,276</b>	<b>357,877</b>	<b>64,929</b>	<b>888,032</b>	<b>308,154</b>	<b>90,903</b>	<b>54,946</b>	<b>21,819</b>	<b>2,483,524</b>
Additions	-	-	66,750	-	125	30076	100,460	-	8,341	1,464	64,473	271,689
Reclassification	-	42,007	-	-	(47,836)	-	60,066	-	-	-	(54,236)	-
Disposals	-	-	-	-	(18,368)	(3,363)	-	(3,250)	(2,258)	-	-	(27,239)
<b>Balance as at April 30, 2023</b>	<b>205,383</b>	<b>505,012</b>	<b>70,950</b>	<b>24,276</b>	<b>291,798</b>	<b>91,642</b>	<b>1,048,557</b>	<b>304,904</b>	<b>96,986</b>	<b>56,410</b>	<b>32,056</b>	<b>2,727,974</b>
<b><u>Depreciation</u></b>												
As at May 1, 2021	-	112,005	1,260	20,661	137,173	7,617	653,424	182,766	87,054	36,701	-	1,238,661
Acquired from Business Combination	-	1,754	-	-	-	-	690	-	-	-	-	2,444
Depreciation for the year	-	9,826	140	1,346	49,378	17,129	70,831	35,570	3,212	3,287	-	190,719
Disposals	-	-	-	-	(33)	-	-	(2,570)	(419)	(79)	-	(3,101)
<b>Balance as at April 30, 2022</b>	<b>-</b>	<b>123,585</b>	<b>1,400</b>	<b>22,007</b>	<b>186,518</b>	<b>24,746</b>	<b>724,945</b>	<b>215,766</b>	<b>89,847</b>	<b>39,909</b>	<b>-</b>	<b>1,428,723</b>
Depreciation for the year	-	2,851	2,365	2,269	21,741	21,227	129,145	47,714	5,231	3,220	-	235,763
Disposals	-	-	-	-	(18,368)	(3,363)	-	(3,250)	(2,258)	-	-	(27,239)
<b>Balance as at April 30, 2023</b>	<b>-</b>	<b>126,436</b>	<b>3,765</b>	<b>24,276</b>	<b>189,891</b>	<b>42,610</b>	<b>854,090</b>	<b>260,230</b>	<b>92,820</b>	<b>43,129</b>	<b>-</b>	<b>1,637,247</b>
<b><u>Carrying amount:</u></b>												
As at April 30, 2023	205,383	378,576	67,185	(0)	101,907	49,032	194,467	44,673	4,166	13,281	32,056	1,090,727
As at April 30, 2022	205,383	339,421	2,800	2,269	171,359	40,182	163,087	92,387	1,057	15,037	21,819	1,054,801

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL, 2023**

	<b>Company</b>											
	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	137,383	386,261	4,200	24,276	200,501	13,776	895,030	274,371	86,926	50,094	6,314	<b>2,079,132</b>
Additions	-	-	-	(0)	109,595	51,153	26,640	36,353	2,121	2,902	22,118	<b>250,881</b>
Reclassification	-	6,613	-	-	47,836	-	(47,836)	-	-	-	(6,613)	<b>-</b>
Disposals	-	-	-	-	(55)	-	-	(2,570)	(420)	(132)	-	<b>(3,177)</b>
<b>Balance as at April 30, 2022</b>	<b>137,383</b>	<b>392,874</b>	<b>4,200</b>	<b>24,276</b>	<b>357,877</b>	<b>64,929</b>	<b>873,834</b>	<b>308,153</b>	<b>88,627</b>	<b>52,864</b>	<b>21,819</b>	<b>2,326,836</b>
Additions	-	-	66,750	-	125	30076	100,460	-	8,341	1,464	64,473	<b>271,694</b>
Reclassification	-	42,007	-	-	(47,836)	-	60,066	-	-	-	(54,236)	<b>-</b>
Disposals	-	-	-	-	(18,368)	(3,363)	-	(3,250)	(2,258)	-	-	<b>(27,239)</b>
<b>Balance as at April 30, 2023</b>	<b>137,383</b>	<b>434,880</b>	<b>70,950</b>	<b>24,276</b>	<b>291,798</b>	<b>91,642</b>	<b>1,034,359</b>	<b>304,903</b>	<b>94,710</b>	<b>54,328</b>	<b>32,056</b>	<b>2,571,292</b>
<b><u>Depreciation</u></b>												
As at May 1, 2021	-	103,389	1,260	20,661	137,173	7,617	639,916	182,767	84,778	34,618	-	<b>1,212,179</b>
Depreciation for the year	-	9,826	140	1,346	49,378	17,129	70,831	35,570	3,212	3,287	-	<b>190,719</b>
Disposals	-	-	-	-	(33)	-	-	(2,570)	(419)	(79)	-	<b>(3,102)</b>
<b>Balance as at April 30, 2022</b>	<b>-</b>	<b>113,215</b>	<b>1,400</b>	<b>22,007</b>	<b>186,518</b>	<b>24,747</b>	<b>710,747</b>	<b>215,767</b>	<b>87,571</b>	<b>37,826</b>	<b>-</b>	<b>1,399,798</b>
Depreciation for the year	-	1,098	2,365	2,269	21,741	21,227	129,145	47,714	5,231	3,220	-	<b>234,010</b>
Disposals	-	-	-	-	(18,368)	(3,363)	-	(3,250)	(2,258)	-	-	<b>(27,239)</b>
<b>Balance as at April 30, 2023</b>	<b>-</b>	<b>114,313</b>	<b>3,765</b>	<b>24,276</b>	<b>189,891</b>	<b>42,610</b>	<b>839,892</b>	<b>260,231</b>	<b>90,544</b>	<b>41,046</b>	<b>-</b>	<b>1,606,569</b>
<b><u>Carrying amount:</u></b>												
<b>As at April 30, 2023</b>	<b>137,383</b>	<b>320,567</b>	<b>67,185</b>	<b>(0)</b>	<b>101,907</b>	<b>49,031</b>	<b>194,468</b>	<b>44,672</b>	<b>4,166</b>	<b>13,282</b>	<b>32,056</b>	<b>964,723</b>
<b>As at April 30, 2022</b>	<b>137,383</b>	<b>279,658</b>	<b>2,800</b>	<b>2,269</b>	<b>171,359</b>	<b>40,182</b>	<b>163,087</b>	<b>92,386</b>	<b>1,057</b>	<b>15,038</b>	<b>21,819</b>	<b>927,040</b>

# CUTIX PLC

## NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE YEAR ENDED 30TH APRIL 2023

15 Intangible Assets	Goodwill	Software	Total
<b>Group</b>	₦'000	₦'000	₦'000
<b><u>Cost:</u></b>			
Balance as at May 1, 2022	-	7,589	<b>7,589</b>
<b>Balance as at April 30, 2023</b>	<b>-</b>	<b>7,589</b>	<b>7,589</b>
<b><u>Amortisation</u></b>			
Balance as at May 1, 2022	-	4,554	<b>4,554</b>
Amotisation for the year	-	1,518	<b>1,518</b>
<b>Balance as at April 30, 2023</b>	<b>-</b>	<b>6,072</b>	<b>6,072</b>
<b>As at April 30, 2023</b>	<b>-</b>	<b>1,517</b>	<b>1,517</b>
<b>As at April 30, 2022</b>	<b>-</b>	<b>3,035</b>	<b>3,035</b>

<b>Company</b>	Goodwill	Software	Total
	₦'000	₦'000	₦'000
<b><u>Cost:</u></b>			
Balance as at May 1, 2022	-	7,589	<b>7,589</b>
<b>Balance as at April 30, 2023</b>	<b>-</b>	<b>7,589</b>	<b>7,589</b>
<b><u>Amortization</u></b>			
Balance as at May 1, 2022	-	4,554	<b>4,554</b>
Amotisation for the year	-	1,518	<b>1,518</b>
<b>Balance as at April 30, 2023</b>	<b>-</b>	<b>6,072</b>	<b>6,072</b>
<b>As at April 30, 2023</b>	<b>-</b>	<b>1,517</b>	<b>1,517</b>
<b>As at 30 April 2022</b>	<b>-</b>	<b>3,035</b>	<b>3,035</b>

	<b>Group</b>		<b>Company</b>	
	30/4/2023	30/4/2022	30/4/2023	30/4/2022
	₦'000	₦'000	₦'000	₦'000
<b>16 Prepayments</b>				
Prepayments	<b>37,120</b>	1,092	<b>37,120</b>	1,092
	<b>37,120</b>	1,092	<b>37,120</b>	1,092
<b>17 Investment</b>				
Investment in Subsidiary	-	-	<b>179,228</b>	179,228
Amortisation	-	-	<b>(71,690)</b>	(35,846)
	-	-	<b>107,538</b>	143,383
<b>Name of Subsidiary</b>	<b>Principal activity and operation</b>		<b>30/4/2023</b>	30/4/2022
			%	%
Adswitch Plc	Gear Switch Panels		<b>100%</b>	100%

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL 2023**

	<b>Group</b>		<b>Company</b>	
	<b>30/4/2023</b>	<b>30/4/2022</b>	<b>30/4/2023</b>	<b>30/4/2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>18 Inventories</b>				
Raw materials	625,300	634,211	607,165	602,427
Work in progress	452,855	489,208	451,863	488,106
Finished goods	1,658,791	1,403,091	1,648,554	1,400,132
Technical stock and spares	239,588	218,735	239,516	218,735
Consumables	3,729	3,737	3,729	3,737
Advert and promotion	3,236	5,254	3,236	5,254
	<b>2,983,499</b>	<b>2,754,237</b>	<b>2,954,062</b>	<b>2,718,392</b>
Advert and Promotion represents the value of promotional items in the inventory				
<b>19 Trade and Other Receivables</b>				
Trade Receivable	226,917	260,194	226,897	260,174
Deposit for Imports	1,303,741	871,663	1,303,741	871,663
Staff Receivables	14,064	8,162	14,057	8,117
Other Receivables	8,380	25,924	20,313	20,628
	<b>1,553,103</b>	<b>1,165,944</b>	<b>1,565,008</b>	<b>1,160,583</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.

<b>20 Other Prepayments</b>				
Prepayments	90,736	13,446	90,736	13,446
Prepayments due after one year	(37,120)	(1,092)	(37,120)	(1,092)
Prepayments due within one year	<b>53,616</b>	<b>12,354</b>	<b>53,616</b>	<b>12,354</b>
<b>21.1 Cash and Cash Equivalents</b>				
Cash Balances	229	260	208	243
Access Bank Plc	28,817	18,677	28,805	18,665
Ecobank Plc	-	1,346	-	1,346
Fidelity Bank Plc	30,856	6,552	21,778	2,643
First Bank Plc	1,820	7,851	1,811	7,842
Guaranty Trust Holding Company Plc	8,470	3,874	8,470	3,874
Heritage Bank Plc	42	42	-	-
Polaris Bank Limited	6,126	858	6,126	858
Sterling Bank Plc	588	2,741	588	2,741
Union Bank of Nigeria Plc	10,049	24,402	10,012	24,365
United Bank for Africa Plc	24,638	5,331	24,619	5,312
Zenith Bank Plc	10,788	52,702	10,788	52,702
<b>Cash and Bank balance</b>	<b>122,422</b>	<b>124,637</b>	<b>113,205</b>	<b>120,592</b>

The carrying amount are approximately equal to their Fair Value.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL 2023**

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

	<b>Group</b>		<b>Company</b>	
	<b>30/4/2023</b>	<b>30/4/2022</b>	<b>30/4/2023</b>	<b>30/4/2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
Profit before finance costs	<b>1,373,731</b>	1,371,364	<b>1,375,524</b>	<b>1,375,524</b>
<b><i>Adjustments for:</i></b>				
Depreciation of Property, Plant & Equipment	<b>235,763</b>	193,163	<b>234,010</b>	<b>190,719</b>
Amortisation	<b>1,517</b>	1,518	<b>1,517</b>	<b>1,518</b>
Amortisation - Adswitch	-	-	-	<b>35,846</b>
Profit or (loss) on asset disposal	-	(2,150)	-	<b>(2,150)</b>
<b><i>Operations</i></b>	<b>1,611,011</b>	1,563,895	<b>1,611,051</b>	<b>1,601,457</b>
<b><i>Changes in Working Capital:</i></b>				
(Increase)/Decrease in Inventories	<b>(250,697)</b>	(308,801)	<b>(207,909)</b>	<b>(305,696)</b>
(Increase)/Decrease in Trade & other Receivables	<b>(387,157)</b>	61,560	<b>(404,427)</b>	<b>61,858</b>
(Increase)/Decrease in Prepayments	<b>(77,290)</b>	5,529	<b>(77,290)</b>	<b>5,529</b>
Increase/(Decrease) in Trade & other Payables	<b>(5,936)</b>	148,352	<b>(36,676)</b>	<b>130,179</b>
<b><i>Total adjustments</i></b>	<b>(721,081)</b>	(93,360)	<b>(726,301)</b>	<b>(108,130)</b>
<b>Cash Generated from Operations</b>	<b>889,930</b>	1,470,535	<b>884,750</b>	<b>1,493,327</b>
<b>22 Trade and other Payables</b>				
Trade Payables	<b>340,457</b>	348,195	<b>339,931</b>	<b>343,444</b>
Accruals	<b>291,893</b>	307,179	<b>197,317</b>	<b>307,179</b>
Value Added Tax & WHT Payable	<b>76,285</b>	179	<b>76,722</b>	-
Other Payables	<b>46,321</b>	93,467	<b>35,001</b>	<b>35,025</b>
	<b>754,956</b>	749,020	<b>648,972</b>	<b>685,648</b>
<b>23 Share Capital</b>				
<b>Issued and fully paid</b>				
<b>3,522,644,052</b> Ordinary Shares of 50K each	<b>1,761,322</b>	1,761,322	<b>1,761,322</b>	<b>1,761,322</b>
<b>24 Retained Earnings</b>				
As at May 1,	<b>943,134</b>	1,275,128	<b>1,005,838</b>	<b>1,333,672</b>
Transfer from Income Statement	<b>789,985</b>	786,307	<b>792,132</b>	<b>790,467</b>
Dividend written back	<b>25,773</b>	26,558	<b>25,773</b>	<b>26,558</b>
Bonus Issue	-	(880,661)	-	<b>(880,661)</b>
Dividend paid in the year	<b>(352,264)</b>	(264,198)	<b>(352,264)</b>	<b>(264,198)</b>
<b>As at April 30,</b>	<b>1,406,628</b>	943,134	<b>1,471,479</b>	<b>1,005,838</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL 2023**

	<b>Group</b>		<b>Company</b>	
	<b>30/4/2023</b>	<b>30/4/2022</b>	<b>30/4/2023</b>	<b>30/4/2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
<b>25 Short Term Borrowings:</b>				
The movement in the loan from Banks are as follows:				
Ecobank Nigeria Ltd - Overdraft	<b>69,847</b>	-	<b>69,847</b>	-
Ecobank Nigeria Ltd - STF	<b>250,000</b>	-	<b>250,000</b>	-
Bank of Industry (BOI)	-	81,836	-	<b>81,836</b>
Union Bank of Nigeria Plc - STF	<b>194,317</b>	(55,683)	<b>194,317</b>	<b>(55,683)</b>
Union Bank of Nig Plc - Overdraft	<b>5,820</b>	182,809	<b>5,820</b>	<b>182,809</b>
UBA Plc - STF	-	(8,174)	-	<b>(8,174)</b>
Commercial Papers (Note 25.1)	<b>783,244</b>	877,601	<b>783,244</b>	<b>852,723</b>
	<b>1,303,228</b>	1,078,389	<b>1,303,228</b>	<b>1,053,511</b>

25.1 Commercial papers were issued to various individuals and Co-operative societies for period of 90 days renewable at interest rates ranging from 6% to 14%.

**26 Staff Costs**

Salaries & Wages	<b>432,519</b>	397,303	<b>423,788</b>	<b>391,907</b>
Medical, welfare, pension and training	<b>130,733</b>	108,313	<b>129,205</b>	<b>108,097</b>
	<b>563,253</b>	505,616	<b>552,992</b>	<b>500,004</b>

**27 Directors and Employees**

**27.1 Directors' emoluments**

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

Fees	<b>212</b>	184	<b>212</b>	<b>184</b>
Other	<b>731</b>	635	<b>731</b>	<b>635</b>
	<b>943</b>	819	<b>943</b>	<b>819</b>

**(ii) Other Directors' Emoluments:**

Fees	<b>1,167</b>	1,018	<b>1,167</b>	<b>1,018</b>
Other	<b>15,710</b>	11,994	<b>15,710</b>	<b>11,994</b>
	<b>16,877</b>	13,012	<b>16,877</b>	<b>13,012</b>

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

Above N60,001	<b>8</b>	6	<b>8</b>	<b>6</b>
Number of Directors who had no emoluments	<b>None</b>	None	<b>None</b>	<b>None</b>

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

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

N400,000 - N600,000	<b>4</b>	3	<b>0</b>	<b>3</b>
N600,001 - N800,000	<b>0</b>	37	<b>0</b>	<b>37</b>
N800,001 - N900,000	<b>76</b>	31	<b>75</b>	<b>31</b>
N900,001 - N1,000,000	<b>2</b>	18	<b>0</b>	<b>18</b>
Above N1,000,001	<b>176</b>	163	<b>176</b>	<b>154</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL 2023**

	<b>Group</b>		<b>Company</b>	
	<b>30/4/2023</b>	<b>30/4/2022</b>	<b>30/4/2023</b>	<b>30/4/2022</b>
<b>(v) Staff Costs:</b>				
The number of persons employed as at 30th April, and the staff costs were as follows:				
Managerial	17	16	17	15
Intermediate staff	50	58	50	56
Junior staff	191	178	184	172
	<b>258</b>	<b>252</b>	<b>251</b>	<b>243</b>

*The related staff costs amounted to N563,253,000 (2022: N505,616,000)*

**(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.

	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
Key Management Compensation Includes:				
Short Term Employee Benefits:				
Wages And Salaries:				
Directors Emoluments	943	819	943	819
Post Employment Benefits:				
Defined Contribution Plan	30,224	34,759	30,224	34,759
	<b>31,166</b>	<b>35,578</b>	<b>31,166</b>	<b>35,578</b>

**28 Dividends Paid and Proposed**

Dividends on Ordinary Shares declared and paid during the year

Proposed Dividend for 2023: 12Kobo per Share (2022: 10Kobo per Share)

	352,264	264,198	352,264	264,198
	<b>352,264</b>	<b>264,198</b>	<b>352,264</b>	<b>264,198</b>

**29 Earnings Per Share (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.

Weighted average number of Shares in issue ('000)	3,522,644	3,522,644	3,522,644	3,522,644
Profit attributable to Ordinary Equity Shareholders (N'000)	789,985	786,307	792,132	790,467
Basic Earnings Per Share (Kobo)	22.43	22.32	22.49	22.44

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL 2023**

**30 Financial Instruments and Risk Management**

**30.1 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 remains unchanged from 2022.

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.

	<b>Group</b>		<b>Company</b>	
	<b>30/4/2023</b>	30/4/2022	<b>30/4/2023</b>	30/4/2022
<b>Gearing ratio</b>	<b>₦'000</b>	₦'000	<b>₦'000</b>	₦'000
The Gearing Ratio at the year-end is as follows:				
Debt (i)	<b>1,303,228</b>	1,078,389	<b>1,303,228</b>	<b>1,053,511</b>
Less: Cash and Bank balances	<b>(122,422)</b>	(124,637)	<b>(113,205)</b>	<b>(120,592)</b>
<b>Net Debt</b>	<b>1,180,806</b>	953,752	<b>1,190,024</b>	<b>932,919</b>
Equity (ii)	<b>3,167,950</b>	2,704,455	<b>3,232,801</b>	<b>2,767,160</b>
<b>Net debt to equity ratio</b>	<b>37%</b>	35%	<b>37%</b>	<b>34%</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.

**30.2 Categories of Financial Instruments**

**Financial Assets**

Loans and Receivables:

Cash and Bank Balances	<b>122,422</b>	124,637	<b>113,205</b>	<b>120,592</b>
Trade and other Receivables	<b>1,553,103</b>	1,165,944	<b>1,565,010</b>	<b>1,160,583</b>
	<b>1,675,525</b>	1,290,581	<b>1,678,215</b>	<b>1,281,175</b>

**Financial Liabilities**

Financial Liabilities at Amortised cost:

Borrowings	<b>444,317</b>	-	<b>444,317</b>	-
Trade and other Payables	<b>754,956</b>	749,020	<b>648,972</b>	<b>685,648</b>
Bank overdraft	<b>75,667</b>	182,809	<b>75,667</b>	<b>182,809</b>
	<b>1,274,940</b>	931,828	<b>1,168,956</b>	<b>868,456</b>

**30.3 Financial Risk Management Objectives**

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.

**30.4 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.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL 2023**

**30.5 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 has 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 sub sectoral group of the manufacturing industry is considered superior even by multinationals. Moreover, despite the prevalent capacity underutilization in the industrial sector of the country as a whole, the cable and wire manufacturing firms have done relatively well.

**30.6 Interest rate Risk Management**

The Company's exposure to Interest Rate Risk is insignificant

**30.7 Foreign Exchange Risk Management**

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

**30.8 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.

• **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>30/4/2023</b>	<b>30/4/2022</b>	<b>30/4/2023</b>	<b>30/4/2022</b>
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>
Bank Balances	<b>122,422</b>	124,637	<b>113,205</b>	120,592
Trade and other Receivables	<b>1,553,103</b>	1,165,944	<b>1,565,010</b>	1,160,583
	<b>1,675,525</b>	1,290,581	<b>1,678,215</b>	1,281,175

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL, 2023**

**30.8 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.

**30.9 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.

**31 Guarantees**

The Company did not provide guarantees during the year ended 30th April 2023 (30/4/2022: Nil).

**32 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 Financial Statements.

**33 Contingent Liabilities and Contingent Assets**

There were no Contingent Assets and Liabilities as at 30th April, 2023 (30/4/2022: Nil).

**34 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.

**35 Security Trading Policy**

In compliance with Rule 17.15 Disclosure of Dealings in Issuer's share, Rule book of the Exchange 2015 (Issuers Rule). Cutix Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorised as insiders as to their dealings in the Company shares.

The Policy undergoes periodic review 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.

## **Other National Disclosures**

# CUTIX PLC

## STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 30TH APRIL, 2023

Group	30/4/2023		30/4/2022	
	₦'000	%	₦'000	%
Revenue	9,248,003		7,867,764	
Other Income	79,698		83,150	
	<u>9,327,701</u>		<u>7,950,914</u>	
Bought in materials and services				
Foreign	(1,067,000)		(1,489,805)	
Local	(6,087,954)		(4,390,968)	
<b>Value Added</b>	<u><b>2,172,747</b></u>	<u><b>100</b></u>	<u><b>2,070,141</b></u>	<u><b>100</b></u>
<b>Applied as follows:</b>				
<b>To employees</b>				
As salaries and wages	563,253	25.92	505,616	24.42
<b>To Providers of Capital</b>				
Interest charges	182,211	8.39	213,722	10.32
<b>To government:</b>				
As Company Income Taxes	379,824	17.48	357,876	17.29
As NPTF levy	60	0.00	40	0.00
<b>Retained for the Company's future:</b>				
Deferred Taxation	21,652	1.00	13,419	0.65
Depreciation	235,763	10.85	193,163	9.33
(Loss)/ Profit for the year	789,985	36.36	786,307	37.98
<b>Value Added</b>	<u><b>2,172,747</b></u>	<u><b>100</b></u>	<u><b>2,070,141</b></u>	<u><b>100</b></u>

## Company

	30/4/2023		30/4/2022	
	₦'000	%	₦'000	%
Revenue	9,225,071		7,852,391	
Other Income	79,698		82,585	
	<u>9,304,769</u>		<u>7,934,976</u>	
Bought in materials and services				
Foreign	(1,071,283)		(1,489,805)	
Local	(6,070,605)		(4,378,924)	
<b>Value Added</b>	<u><b>2,162,881</b></u>	<u><b>100.00</b></u>	<u><b>2,066,247</b></u>	<u><b>100.00</b></u>
<b>Applied as follows:</b>				
<b>To employees</b>				
As salaries and wages	552,992	25.57	500,004	24.20
<b>To Providers of Capital</b>				
Interest charges	182,211	8.42	213,722	10.34
<b>To government:</b>				
As Company Income Taxes	379,824	17.56	357,876	17.32
As NPTF Levy	60	0.00	40	0.00
<b>Retained for the Company's future:</b>				
Deferred Taxation	21,652	1.00	13,419	0.65
Depreciation	234,010	10.82	190,719	9.23
(Loss)/ Profit for	792,132	36.62	790,467	38.26
<b>Value Added</b> the year	<u><b>2,162,881</b></u>	<u><b>100.00</b></u>	<u><b>2,066,247</b></u>	<u><b>100.00</b></u>

Value added represents the wealth which the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth to employees, shareholders, government and that retained for future creation of wealth.

# CUTIX PLC

## FIVE YEARS FINANCIAL SUMMARY FOR THE YEARS ENDED

### Group

	30/4/2023	30/4/2022	30/4/2021	30/4/2020	30/4/2019
	₦'000	₦'000	₦'000	₦'000	₦'000
<b>Assets Employed:</b>					
Property, Plant and Equipment	1,090,727	1,054,801	997,158	813,161	874,219
Intangible Assets	1,517	3,035	4,553	6,071	-
Long Term prepayments	37,120	1,092	3,665	43,116	6,206
Inventories	2,983,499	2,754,237	2,433,424	1,782,972	1,579,697
Trade and other Receivables	1,553,103	1,165,944	1,227,505	744,764	248,371
Prepayments	53,616	12,354	15,310	70,286	40,233
Cash and Cash Equivalents	122,422	124,637	110,576	167,620	112,612
<b>Total Assets</b>	<b>5,842,005</b>	<b>5,116,100</b>	<b>4,792,191</b>	<b>3,627,990</b>	<b>2,861,338</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Paid up Share Capital	1,761,322	1,761,322	880,661	880,661	880,661
Retained Earnings	1,406,628	943,134	1,275,129	924,976	732,430
	<b>3,167,950</b>	<b>2,704,456</b>	<b>2,155,790</b>	<b>1,805,637</b>	<b>1,613,091</b>
<b>Liabilities</b>					
Long Term Borrowings	-	-	81,844	327,613	30,103
Deferred Tax Liabilities	235,918	214,267	200,848	180,903	185,651
Short Term Borrowings	1,303,228	1,078,389	1,463,102	776,921	656,230
Trade and other Payables	754,956	749,020	600,668	264,065	145,048
Current Tax Payable	379,952	369,969	289,941	272,850	231,216
	<b>2,674,056</b>	<b>2,411,645</b>	<b>2,636,402</b>	<b>1,822,352</b>	<b>1,248,248</b>
<b>Total Equity and Liabilities</b>	<b>5,842,005</b>	<b>5,116,099</b>	<b>4,792,191</b>	<b>3,627,990</b>	<b>2,861,338</b>
<b>Revenue</b>	<b>9,248,003</b>	<b>7,867,764</b>	<b>6,749,840</b>	<b>5,025,500</b>	<b>5,434,107</b>
Profit before Taxation	1,191,520	1,157,641	899,827	585,505	679,331
Taxation	(401,535)	(371,335)	(305,804)	(192,450)	(202,262)
Profit after Taxation	789,985	786,306	594,023	393,055	477,069
OCI	-	-	(50,938)	-	-
Dividend	-	(352,264)	(264,198)	(220,166)	(220,166)
	<b>789,985</b>	<b>434,042</b>	<b>278,887</b>	<b>172,889</b>	<b>256,903</b>
Earnings per Share-Basic (Kobo)	22.43	22.32	30.83	22.32	27.09
Earnings per Share-Adjusted (Kobo)	22.43	22.32	15.42	11.16	13.55
Dividend per Share (Kobo)	-	10.00	12.50	12.50	12.50
Dividend payout Ratio (%)	-	45	44	56	46
Total Assets Per Share (Kobo)	166	145	272	206	162

#### NOTE:

**Earnings per Share - Actual, have been calculated each year on the Issued Share Capital at the Statement of Financial Position date and it is based on the Profit after Taxation.**

## FIVE YEARS FINANCIAL SUMMARY FOR THE YEARS ENDED

### Company

	30/4/2023	30/4/2022	30/4/2021	30/4/2020	30/4/2019
	₦'000	₦'000	₦'000	₦'000	₦'000
<b>Assets Employed:</b>					
Property, Plant and Equipment	964,719	927,040	866,953	813,161	874,219
Intangible Assets	1,517	3,035	4,553	6,071	-
Long Term Prepayments	37,120	1,092	3,665	43,116	6,206
Investments - Adswitch	107,537	143,383	179,228	-	-
Inventories	2,954,063	2,718,392	2,400,683	1,782,972	1,579,697
Trade and other Receivables	1,565,010	1,160,583	1,222,441	744,764	248,371
Prepayments	53,616	12,354	15,310	70,286	40,233
Cash and Cash Equivalents	113,205	120,592	108,618	167,620	112,612
<b>Total Assets</b>	<b>5,796,787</b>	<b>5,086,471</b>	<b>4,801,452</b>	<b>3,627,990</b>	<b>2,861,338</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Paid up Share Capital	1,761,322	1,761,322	880,661	880,661	880,661
Retained Earnings	1,471,479	1,005,838	1,333,672	924,976	732,430
	<b>3,232,800</b>	<b>2,767,160</b>	<b>2,214,333</b>	<b>1,805,637</b>	<b>1,613,091</b>
<b>Liabilities</b>					
Long Term Borrowings	-	-	81,844	327,613	30,103
Deferred Tax Liabilities	231,837	210,185	196,766	180,903	185,651
Short Term Borrowings	1,303,228	1,053,511	1,463,102	776,921	656,230
Trade and other Payables	648,972	685,648	555,468	264,065	145,048
Current Tax payable	379,952	369,969	289,941	272,850	231,216
	<b>2,563,989</b>	<b>2,319,312</b>	<b>2,587,121</b>	<b>1,822,352</b>	<b>1,248,248</b>
<b>Total Equity and Liabilities</b>	<b>5,796,786</b>	<b>5,086,471</b>	<b>4,801,454</b>	<b>3,627,989</b>	<b>2,861,339</b>
<b>Revenue</b>	<b>9,225,071</b>	<b>7,852,391</b>	<b>6,745,521</b>	<b>5,025,500</b>	<b>5,434,107</b>
Profit before Taxation	1,193,668	1,161,802	907,431	585,505	679,331
Taxation	(401,535)	(371,335)	(305,804)	(192,450)	(202,262)
Profit after Taxation	792,132	790,467	601,627	393,055	477,069
Dividend	-	(352,264)	(264,198)	(220,166)	(220,166)
	<b>792,132</b>	<b>438,202</b>	<b>337,429</b>	<b>172,889</b>	<b>256,903</b>
Earnings per Share-Basic (Kobo)	22.43	22.32	34.16	22.32	27.09
Earnings per Share-Adjusted (Kobo)	22.43	22.32	17.08	11.16	13.55
Dividend per Share (Kobo)	-	10.00	12.50	12.50	12.50
Dividend payout Ratio (%)	-	45	44	56	46
Total Assets Per Share (Kobo)	166	145	272	206	162

**NOTE:**

**Earnings per Share - Actual, have been calculated each year on the Issued Share Capital at the Statement of Financial Position date and it is based on the Profit after Taxation.**