

**CUTIX PLC**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> APRIL 2024**

## CUTIX PLC

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**CORPORATE INFORMATION**  
**CHAIRMAN**

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

**CHIEF EXECUTIVE OFFICER**

Mrs. Ijeoma Oduonye (ACIS)

**OTHER DIRECTORS**

Dr. Chidozie Nsoedo - Non-Executive Director  
Mr. Ikechukwu Okonkwo - Non-Executive Director  
Mr. Ariyo Olushekun - Non-Executive Director  
Mr. Ifeanyi Uzodike - Non-Executive Director  
Sir Matthias Umego - Ind. Non-Executive Director  
Mrs. Ijeoma Ezeasor - Ind. Non-Executive Director  
Prince Charles Orizu - Ind. Non-Executive Director

**COMPANY SECRETARY**

Miss. Augustina Okeke (ACIS)

**REGISTERED OFFICE/FACTORY**

7, Osita Onyejianya Street  
Umuanuka, Otolo, Nnewi  
Anambra State  
Tel: 046-280-087, 046-281-199, 0704-623-6426  
Email: [secretariat@cutixplc.com.ng](mailto:secretariat@cutixplc.com.ng)  
Website: [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.ng](http://www.crescentregistrars.com.ng)

**LEGAL ADVISERS**

Olisaeloka Osuigwe & Co  
Mercy Court  
10, Dala Ucha Street  
Okpunoegbu Umudim  
Nnewi, Anambra State

Ike Obeta & Co  
112, Owerri Road  
Nnewi, Anambra State

**INDEPENDENT AUDITOR**

Ngozi Monica Okonkwo & Co  
(Chartered Accountants)  
Duplex 11, Ugochukwu Housing Estate  
Sambiller Crescent, Off Atani Road, Onitsha  
Anambra State

**PRODUCT/SALES OUTLETS**

No. 86 Hospital Road, Aba,  
Abia State  
0803-575-6204, 0803-251-1900

22/23 Dalgo Estate  
Onitsha Road, Nnewi  
Anambra State  
0806-375-6182; 0806-600-3600

Zone One Block I, Shop no 12, Central line  
Electrical Dealers International Market,  
KM 5 Owerri Express Road,  
Obosi,  
Anambra State  
0803-668-1143, 0810-020-0130

Jarcan Plaza Electrical International Market,  
Royal Plaza Shop 1, Z2/H14, Electrical Dealers International Market  
Obosi  
Anambra State

Zone 2 Block G11 New Blessed Line,  
Electrical Dealers International Market,  
Obosi  
Anambra State  
0806-384-8154, 0701-989-8226

Lot A, Shop 19 Margrethe Umahi  
International Market, 96 Afikpo Road,  
Abakaliki  
Ebonyi State  
0803-666-5895, 0708-586-7710

154 by Anukunru, Wetheral Road  
Owerri  
Imo State

7 Osina Street,  
Owerri,  
Imo State  
0803-389-1701; 0803-898-3998

34 Rwang Pam Street, Jos  
Plateau State  
0803-409-2917

41 Rwang Pam Street, Jos  
Plateau State  
0803-797-6527

62/10 Bauchi Road, Jos  
Plateau State  
0803-504-3836

2 Galadima/France Road, Kano  
Kano State  
0806-527-4289

4 Yahaya Madaki Way, Katsina  
Katsina State  
0803-444-6191

8 Okija Street, Mile I Diobu,  
Port Harcourt,  
Rivers State  
0803-341-3221; 0802-371-7752

15 Umuoji Street,  
Port Harcourt  
Rivers State  
0805-606-9991; 0803-346-5330

No 142 Udo Umana Street by Obio Imoh  
Traffic Light, Uyo  
Akwa Ibom State  
0802-333-8787; 0809-567-1815

70 Abak Road, Uyo  
Akwa Ibom State  
0803-551-0575, 0808-249-9247

**BRANCH OFFICES/CUSTOMER  
SERVICE POINT**

27, St. Michael Road Aba,  
Abia State  
0814-968-7109

Shop R239 Gudu Electrical Market  
Gudu District,  
Abuja  
0803-675-5246, 092910758,

Shop B4 109/110 Dei-Dei Int'l Building Material Market,  
Abuja  
0902-339-4294, 0813-303-1662

Shop 7 & 8, God is Good Plaza  
Electrical Dealers International Market  
Obosi,  
Anambra State  
0906-775-7132, 0813-249-2717

Suite B16, Ejim Plaza  
Near Oakland Hotel by Ebeano Tunnel, Enugu  
Enugu State  
0816-059-7414, 0707-340-6367

No 17, Martins Adegboyega Street,  
Ajao Estate, Airport Road (Former 17, Olutosin Ajayi  
Street, Lagos)  
Lagos State  
0813-455-1103, 0707-026-5342

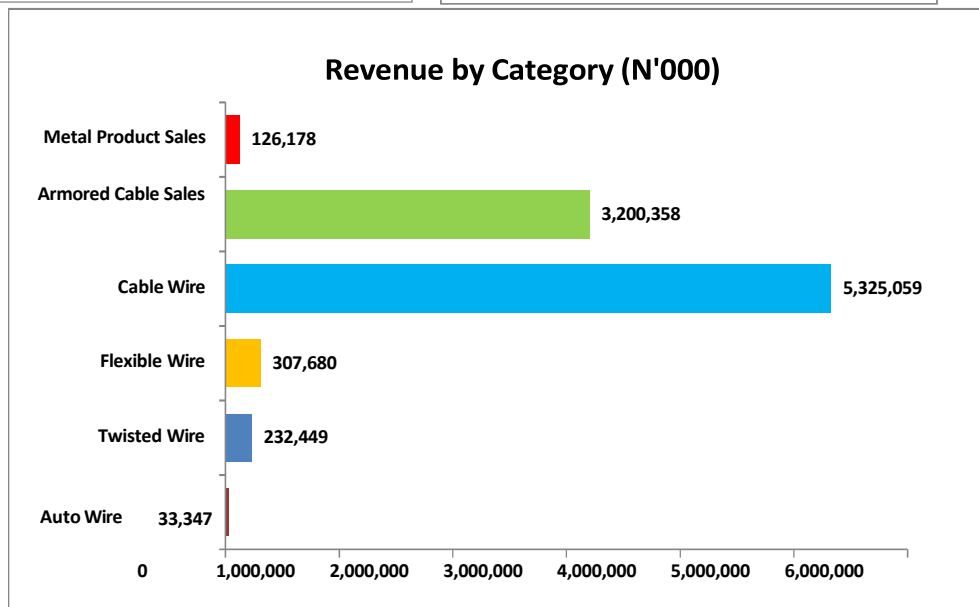
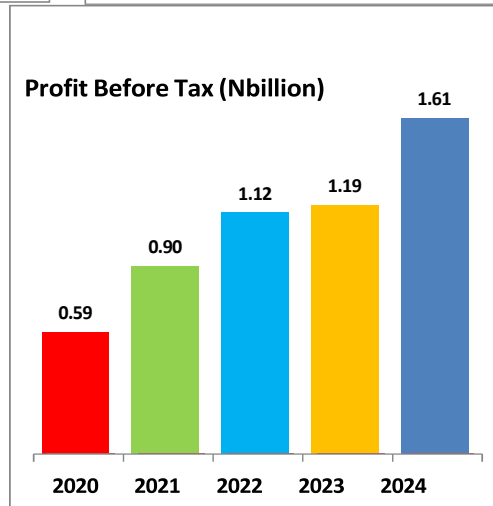
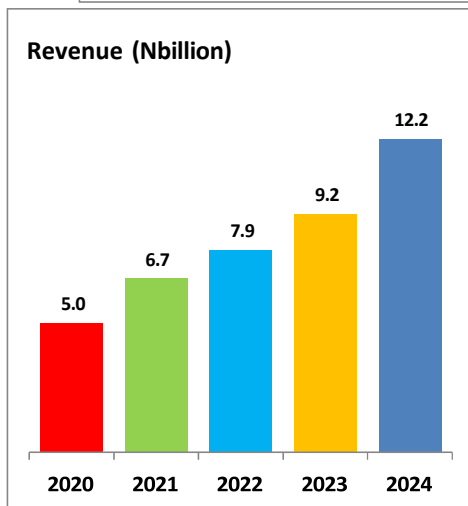
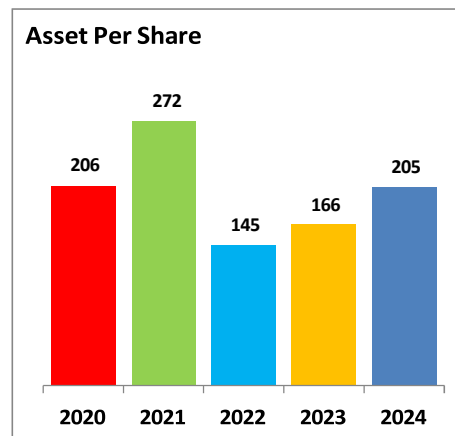
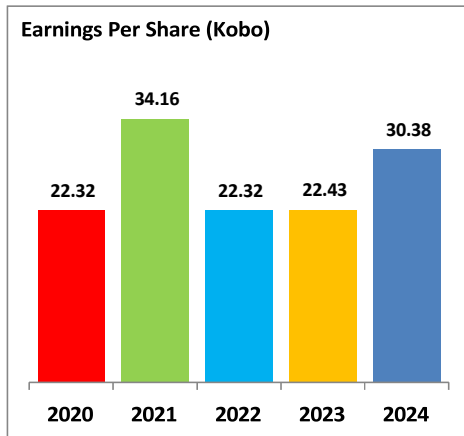
Shop A 51 Century Mall by  
St. Patrick Bus stop Near United Bank for African (UBA)  
Alaba International Market, Lagos  
Lagos State  
0814-071-3787, 0903-282-1581

18 Dr. Aranye Okilo Drive  
D/Line, (Near NITEL Office)  
Port Harcourt  
Rivers State  
0810-089-0255, 0818-009-7256,

41, Ikot-Ekpene Road, Uyo  
Akwa Ibom State.  
0704-379-8268, 0803-623-9000

**CUTIX PLC**  
**FINANCIAL HIGHLIGHTS**

	<b>30/04/2024</b>	<b>30/04/2023</b>	<b>Increase/ (Decrease)</b>	
	<b>₦'000</b>	<b>₦'000</b>	<b>₦'000</b>	<b>%</b>
Total Assets	<b>7,288,803</b>	5,842,004	<b>1,446,799</b>	<b>25</b>
Total Liabilities	<b>3,483,789</b>	2,674,054	<b>809,735</b>	<b>30</b>
Net Assets	<b>3,805,013</b>	3,167,950	<b>637,063</b>	<b>20</b>
Capital Expenditure	<b>396,790</b>	271,689	<b>125,101</b>	<b>46</b>
Paid-up Share Capital	<b>1,761,322</b>	1,761,322	-	-
Total Equity	<b>3,805,013</b>	3,167,950	<b>637,063</b>	<b>20</b>
No. of Shares in Issue (Units)	<b>3,522,644</b>	3,522,644	-	-
Revenue	<b>12,177,876</b>	9,248,003	<b>2,929,873</b>	<b>32</b>
Profit Before Taxation	<b>1,619,220</b>	1,191,520	<b>427,700</b>	<b>36</b>
Taxation - Income Tax	<b>513,218</b>	379,883	<b>133,336</b>	<b>35</b>
Taxation - Deferred Tax	<b>40,824</b>	21,652	<b>19,172</b>	<b>89</b>
Profit After Taxation	<b>1,065,178</b>	789,985	<b>275,193</b>	<b>35</b>
<b>Per Share Data:</b>				
Earnings Per Share - Basic (Kobo)	<b>30.24</b>	22.43	<b>7.81</b>	<b>35</b>
Earnings Per Share-Adjusted(Kobo)	<b>30.24</b>	22.43	<b>7.81</b>	<b>35</b>
Total Assets Per Share (Kobo)	<b>207</b>	166	<b>41</b>	<b>25</b>
Share price (Kobo)	<b>310</b>	225	<b>85</b>	<b>38</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, 2024 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 30, 2024 was ₦3.10.

### 2. PRINCIPAL ACTIVITIES OF THE COMPANY

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

### 3. RESULT FOR THE YEAR

The following are highlights of the Company's performance in FY 2024:

	<b>GROUP FY 2024</b> <b>₦'000</b>	<b>COMPANY FY 2024</b> <b>₦'000</b>	<b>GROUP FY 2023</b> <b>₦'000</b>	<b>COMPANY FY 2023</b> <b>₦'000</b>
Revenue	12,177,876	12,167,838	9,248,003	9,225,071
Profit Before Tax	1,619,220	1,629,439	1,191,520	1,193,668
Taxation	554,042	554,042	401,535	401,535
Profit After Tax	1,065,178	1,075,397	789,985	792,132

### 4. DIVIDEND

The Directors are pleased to recommend a dividend of 15 kobo 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 ₦528,396,607.80 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:

	₦ '000
Profit After Taxation	1,065,178
Less Proposed Dividend	528,396
Profit Carried Forward	536,782

### 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 ₦ 27,302,800.04 are as stated below:

S/No	Beneficiary	Amount (₦)
1.	Nnewi Community (Education, medical assistance, security)	10,402,800.04
2.	Sponsorship of 2023/2024 ENIC tennis league	2,335,000.00
3.	Rehabilitation Centre for the Disabled, Old and Tramps (RECDOT)	200,000.00
4.	Veterans	200,000.00
5.	Manufacturers Association of Nigeria (MAN)	200,000.00
6.	Construction of gutter/bore hole for community	13,965,000
	<b>Total</b>	<b>27,302,800.04</b>

## 7. ANALYSIS OF SHAREHOLDING

a) Shareholders and Shareholding:

The Registrar has advised that the shareholdings as at April 30, 2024 are as follows:

SHARE RANGE	NO. OF S/HOLDERS	CUMMULATIVE HOLDERS	% HOLDERS	NO OF UNITS	CUMULATIVE UNITS	%UNITS
1-1,000	1,066	1,066	11.544	357,568	357,568	0.010
1,001-5,000	1,064	2,130	11.523	3,024,533	3,382,101	0.086
5,001-10,000	838	2,968	9.075	6,409,295	9,791,396	0.182
10,001-50,000	2,293	5,261	24.832	59,580,186	69,371,582	1.691
50,001-100,000	1,053	6,314	11.404	76,982,040	146,353,622	2.185
100,001-500,000	2,361	8,675	25.569	449,008,906	595,362,528	12.746
500,001-1,000,000	293	8,968	3.173	188,999,283	784,361,811	5.365
1,000,001-5,000,000	210	9,178	2.274	371,781,555	1,156,143,366	10.554
5,000,001-10,000,000	24	9,202	0.260	161,845,059	1,317,988,425	4.594
10,000,001-ABOVE	32	9,234	0.347	2,204,655,627	3,522,644,052	62.585
<b>TOTAL</b>	<b>9,234</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 2024 Account	
		April 30, 2024	April 30, 2024	April 30, 2023	April 30, 2023	July 13, 2024	July 13, 2024
SN	Name of Director	Direct	Indirect	Direct	Indirect	Direct	Indirect
1.	Barr (Mrs.) Ifeoma Nwahiri	13,939,180	1,128,883	13,568,472	NIL	13,939,180	1,128,883
2.	Mrs. Ijeoma Oduonye	10,975,807	NIL	6,715,000	NIL	10,975,807	Nil
3.	Sir Matthias Umego	480,410	Nil	350,000	Nil	480,410	Nil
4.	Dr. Chidozie Nsoedo	Nil	Nil	Nil	Nil	Nil	Nil
5.	Mr. Ariyo Olushekun	2,146,290	Nil	2,146,290	Nil	2,146,290	Nil
6.	Mrs. Ijeoma Ezeasor	58,058	Nil	Nil	Nil	58,058	Nil
7.	Mr. Ike Okonkwo	2,370,033	1,333,332	2,078,793	1,333,332	2,370,033	1,333,332
8.	Prince Charles Orizu	512,140	Nil	512,140	Nil	512,140	Nil
9.	Mr. Uzodike Ifeanyi Francis	8,358,652	Nil	Nil	Nil	8,358,652	Nil

***Barr. (Mrs.) Ifeoma Nwahiri represents Uzodike Gilbert Obiajulu; Dr. Chidozie Nsoedo represents Nsoedo Samuel and R. C. Onyeje & Company (Nig.) Ltd while Mr. Ike 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 2024, 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	221,664,000	6.29 %
3	Nsoedo Samuel	217,566,897	6.18 %
4	Nigerian Reinsurance Corporation	213,333,332	6.06 %
5	Nzewi Christopher Emengin	183,592,480	5.21 %
6	AMI Nigeria Limited	180,375,964	5.12 %
		<b>1,418,279,627</b>	<b>40.26 %</b>

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, 2024 is as stated below:

<b>S/No</b>	<b>Category</b>	<b>Holding as at April 30, 2024</b>	<b>% Holding as at April 30, 2024</b>	<b>Holding as at April 30, 2023</b>	<b>% Holding as at April 30, 2023</b>
1.	Directors	41,302,785	1.17	176,815,243	5.02
2.	Shareholders with 5% and above	1,418,279,627	40.26	1,418,279,627	40.26
3.	Free Float	2,063,061,640	58.57	1,927,549,182	54.72
	<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 staff strength decreased from 251 to 244, inclusive of the CEO. 39 permanent employees exited the company while 32 permanent employees were employed. Additionally, we provided temporal employment for 3 National Youth Service Corps (NYSC) members and 18 Industrial Attachment/Vacation staff.

**b. Employment of Individuals with Disabilities**

At Cutix Plc, we embrace diversity and provide equal employment opportunities to qualified individuals with disabilities, without discrimination. We firmly believe that within every disability lies exceptional ability. Consistent with our policy, we prioritize recruitment based solely on an individual's capability to fulfill the requirements of a specific role. Currently, our workforce includes two individuals with physical disabilities, reflecting our commitment to inclusivity and recognizing the valuable contributions individuals of all abilities can make to our organization

**c. Total Number of Management and Staff as at April 30, 2024.**

CADRE	NUMBER
CEO	1
Management	16
Staff	227

**d. Employee Engagement**

At Cutix Plc, we prioritize transparent communication and actively involve our employees in decision-making processes to foster alignment with the company's goals. Beyond regular town hall and departmental meetings, our Joint Consultative Committee, comprising elected representatives from various departments, serves as a valuable forum for facilitating effective communication between employees and the company. This commitment to employee involvement ensures that our workforce is informed about the company's performance and actively contributes to our corporate charter.

**e. Health and Safety Policy**

Cutix Plc has implemented a robust health and safety policy aimed at safeguarding the well-being of its employees, visitors, contractors, and all stakeholders within the Company's value chain. Our unwavering commitment is to proactively prevent accidents and incidents that could potentially result in unsafe conditions, thereby mitigating the risk of accidents, injuries, and work-related illnesses.

**10. EVENTS AFTER REPORTING DATE**

There was no event 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 and 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, and 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 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, 2024:**

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 judgment as Directors of the Company. The Directors possess the requisite integrity, skills, and experience to bring independent judgment bear the deliberations of the Board. Below are details of the Directors who held office during the period ended April 30, 2024:

<b>S/No</b>	<b>Name of Director</b>	<b>Position</b>
1.	Barr (Mrs.) Ifeoma Nwahiri	Chairman (Non-Executive Director)
2.	Mrs. Ijeoma Oduonye	Chief Executive Officer
3.	Dr Chidozie Nsoedo	Non-Executive Director
4.	Mr. Ike Okonkwo	Non-Executive Director
5.	Mr. Ariyo Olushekun	Non-Executive Director
6.	Mr. Ifeanyi Uzodike	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 with 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, 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 man understanding of the Company are given to 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 under review.

## 8. Retirement/Appointment of Directors

Sir Matthais Umego will retire from the Board of the Company at the Annual General Meeting. However, in compliance with the provisions of the Articles of Association of the Company and section 285 (i) of CAMA 2020, Dr Chidozie Nsoedo and Prince Charles Orizu will retire by rotation and being eligible, offer themselves for re-election.

## 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 2024. 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 was engaged to carry out Board and Corporate Governance evaluation. The Independent Consultant's report will be included in the 2024 Annual Report and Accounts.

## 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 meeting.	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 ( i - iii) 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 of April 30, 2024 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	25/05/23	13/07/23	24/08/23	23/11/23	22/02/24
1.	Amb. Okwudili Nwosu	P	P	R	R	R
2.	Barr (Mrs.) Ifeoma Nwahiri	P	P	P	P	P
3.	Sir Matthias Umego	P	P	P	P	P
4.	Dr. Chidozie Nsoedo	P	P	P	P	P
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	P
8.	Mrs. Ijeoma Oduonye	P	P	P	P	P
9.	Prince Charles Orizu	P	P	P	P	P
10.	Mr. .Ifeanyi Uzodike	NYD	NYD	NYD	P	P

**Key: 'P' stands for Present, while 'A' stands for Absent, "R" stands for Retired, 'NYD' stands for Not Yet a Director.**

### 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:

	Director	16/06/23	29/09/23	24/11/23	22/03/24
1.	Mrs. Ifeoma Nwahiri	P	ABC	ABC	ABC
2.	Mr. Ariyo Olushekun	P	P	P	P
3.	Mr. Ike Okonkwo	P	NLM	NLM	NLM
4.	Sir. Matthias Umego	NYM	P	P	P
5.	Mrs. Ijeoma Ezeasor	NYM	P	P	P
6.	Mr. Ifeanyi Uzodike	NYD	P	P	P

**Key 'P' stands for present, 'ABC' stands for Appointed the Board Chairman, 'NLM' stands for 'No Longer a Member, 'NYM' stands for 'Not Yet a Member' and 'NYD' stands for 'Not Yet a Director'**

### 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 organisational 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:

S/No	Director	14/07/23	26/10/23	27/01/24	25/04/24
1.	Dr. Chidozie Nsoedo	P	P	P	P
2.	Mr. Ikechukwu Okonkwo	NYM	P	P	P
4.	Prince Charles Orizu	P	P	P	P
5.	Sir Matthias Umego	P	NLM	NLM	NLM
6.	Ijeoma Ezeasor	P	NLM	NLM	NLM

**Key: 'P' stands for Present, 'A' stands for Absent, 'NLM' stands for 'No Longer a Member, while 'NYM 'stands for Not Yet a Member.**

#### **16. 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	12/07/23	28/09/23	22/11/23	21/01/24
1.	Mr. Chima Nwosu	P	P	P	P
2.	Chief (Mr.) Edmund Njoku	P	A	A	A
3.	Jude Okpala	P	P	P	P
4.	Mr. Ariyo Olushekun	NYM	NYM	P	P
5.	Mrs. Ijeoma Ezeasor	NYM	NYM	P	P

**Key: 'P' stands for Present, 'A' stands for Absent, while 'NYM 'stands for Not Yet a Member.**

## **17. Risk Management and Compliance System**

We remain committed to sustainable enterprise-wide risk management practices to drive organizational 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.

## **18. 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.

## **19. Complaint Management Policy**

The Company has 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.

## **20. 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 0707-305-7584 and whistleblower@cutixplc.com.ng respectively.

## **21. 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.

## **22. 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.

## **23. 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.

## **24. Internal Audit Assessment by Consultant**

In compliance with Section 18.6 of the Nigeria code of Corporate Governance, the firm of Okwudili Ijezie & Co. was engaged to carry out an assessment of the internal audit of the company. The Independent Consultant's report on the assessment will be included in the Annual Report.

## **25. 40th Anniversary Celebration**

Cutix Plc celebrated her 40th anniversary with a year-long series of events, with the theme: "Striving for a Thriving Commonwealth," highlighting Cutix's commitment to shared success. The Company marked the occasion with a visit to the Nigerian Exchange Limited and participated in the Closing Bell Ringing Ceremony. The CEO then addressed stockbrokers and shareholders in a "Facts Behind the Figures" presentation. Another phase of the event took place in Nnewi with a luncheon in honor of the Co-Founder, Amb. Okwudili Odi Nwosu. A Long Service Award ceremony in recognition of Directors, Distributors and Staff that have served the Company for five years and above was also organized. Cutix Plc's 40th-anniversary celebration was a resounding success, solidifying her place as a leader with a bright future.

## **26. 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**

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

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 ethos and values without compromising global aspirations where applicable. The Company has a culture of integrity including zero tolerance for corruption and corrupt practices. Our aim is to be recognized 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 prevailing culture, which encourages fairness to all stakeholders, we are candidly committed to corporate social responsibility. Cutix Plc is focused on reducing any undesirable impact of its operations on the environment. In line with regulatory requirements, we ensure that all the health, safety and environment standards are met as we recognize the importance of environmental issues to our stakeholders and its fundamental correlation to long-term sustainability of Cutix Plc. Our aim is to achieve and maintain a sustainable environment, where our business poses no long-term critical degradation of natural resources, nor lasting damage to species, our habitats or climate. We ensure an Environmental Impact Assessment (EAI) is carried out before we start any new project. Periodic audits are also carried out and recommendations are implemented where applicable.

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

At Cutix Plc, ensuring a robust workload and continuously enhancing the skills of our workforce stands as our paramount focus. We proactively address training gaps, introduce new procedures, and foster innovation by providing both internal and external training opportunities. Our objective is to maintain a competitive welfare package and cultivate a conducive work environment, aligning every employee with our organizational objectives and corporate charter. Additionally, we have implemented a reward program designed to attract, motivate, and retain high-quality employees.

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

Occupational health and safety of employees is paramount for all operational activities in the Company. Management is overtly committed to avoiding industrial accidents through increased awareness/training on safety to all stakeholders. The company installed fire detector and fire-fighting equipment in strategic locations within the company's premises in attention to this commitment. We randomly 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 safety and emergency 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 their treatment in each financial year.

## **B. Social Issues**

### i **Community Investment and Corporate Social Responsibility (CRS)**

Cutix Plc is committed to ensuring that she creates value for all the stakeholders and her host community who contribute to her business success. We passionately believe that Corporate Social Responsibility (CRS) 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. All these are 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 while educational institutions and scholarships were given to indigent students during the period under review.

### iii **Quality Assurance and Product Safety**

The brand name "Cutix cable" is an echo of safe and exclusive quality products to customers in Nigeria, West Africa and beyond. We have developed effective controls and procedures that ensure we strictly comply with all relevant standards. These procedures are reviewed regularly in line with emerging technologies in the industry for continual improvement. The Company has consistently retained the quarterly MANCAP revalidation. Cutix PLC has won a lot of quality awards including the International Standard Excellence Award as the best world class cable manufacturing company of the decade by the International Standard Organization and the Industrial Giant Award from Nigerian Association of Technologists in Engineering.

### iv **Employee Training and Development**

At Cutix Plc, we place utmost importance on nurturing our workforce's growth, ensuring they possess the requisite skills and knowledge to excel in their roles. Our approach involves closely monitoring staff skill levels and offering targeted technical training to address any gaps. Our goal is to minimize outsourcing expenses by cultivating in-house expertise. We actively identify talented individuals within our ranks who show promise as future leaders, providing them with



tailored development plans emphasizing leadership and critical thinking skills. Through these investments in our employees, we're building a resilient workforce capable of navigating organizational growth and propelling long- term success. In addition, at Cutix, we adopt a forward-thinking ideology, proactively fostering skill development that is critical to our operations. By investing in our employees' growth, we aim to cultivate a highly skilled and motivated workforce primed to tackle future challenges. Our comprehensive training initiatives encompass diverse modalities such as on-the-job, classroom, mentorship, and leadership development programs. We also support employees in pursuing external education and professional development opportunities. This commitment to employee development positions us as a stronger, more competitive organization poised to thrive in today's dynamic business landscape.

v **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 conform to standards. Our products are both human and environmental 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 forms circulated every quarterly.

vi **Gender Analysis**

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

a) **Analysis of Total Employees**

	Gender Number			Gender Percentage	
	Male	Female	Total	Male	Female
Employees	175	69	244	72%	28%

b) **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	67%	33%

## **vii. Gender Equality and Diversity**

Cutix Plc is dedicated to fostering gender equality and diversity within our workplace culture, striving to create an environment of dignity and respect for all. We ensure fair treatment and provide a supportive and inclusive environment, free from discrimination based on gender or any other characteristic. Our workforce comprises individuals from diverse backgrounds, and every employee is afforded equal opportunities for advancement based solely on merit.

## **C. Governance Issues**

### **i. Business Ethics**

Our company's bedrock lies in a steadfast commitment to ethical and legal business conduct, nurturing a culture built upon six fundamental values: Boldness, Excellence, Innovation, Integrity, Openness, and Proactiveness. These values serve as guiding light, illuminating our path toward socially responsible and ethical business practices.

With unwavering dedication, we conduct our operations with utmost respect for the human rights and interests of our employees. Likewise, we honor the legitimate interests of all stakeholders with whom we engage. Committed to delivering branded products and services of unparalleled value, we ensure they consistently meet the highest standards of quality, safety, and affordability. Guided by both national and international principles of good corporate governance, our business operations exemplify transparency and accountability. We provide comprehensive, timely, and reliable information regarding our activities, structure, financial standing, and performance to our shareholders and regulatory authorities.

As reliable corporate citizens, we embrace our role as integral members of the societies and communities we serve. Additionally, as part of our social responsibility program, we take pride in providing access to clean, potable water for the broader community and so on, thus fulfilling our commitment to societal welfare.

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

Cutix Plc staunchly opposes all forms of bribery and corruption. Our employees are strictly prohibited from offering or promising, either directly or through intermediaries, any personal or improper financial gratifications or other advantages to secure or maintain business deals or favors from third parties, whether they are public or private entities. Our employees are prohibited from accepting bribes.

### **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.

## **2. Customer and Supplier Relations**

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

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

The Company complies with 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.

### **4. 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



Augustina Okeke (ACIS)

Company Secretary

**FRC/2023/PRO/ICSAN/002/629210**

July 11, 2024

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

The Directors of Cutix Plc are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Company as at 30<sup>th</sup> April 2024 and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act, 2020 (as amended) of Nigeria, and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the consolidated and separate 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 consolidated and separate 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 the 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 consolidated and separate financial statements of the Company and Group for the year ended 30<sup>th</sup> April 2024 were approved by the Directors on 11<sup>th</sup> July 2024.

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



Barr (Mrs.) Ifeoma Nwahiri

**Chairman**

**FRC/2022/PRO/DIR/003/000000177451**



Mrs. Ijeoma Oduonye (ACIS)

**Chief Executive Officer**

**FRC/2016/PRO/DIR/002/00000015363**

## **STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2024**

In line with the provision of Section 405 of CAMA 2020, we have reviewed the audited consolidated and separate financial statements of the Company and Group for the year ended 30<sup>th</sup> April 2024 and based on our knowledge confirm as follows:

1. The audited consolidated and separate 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 consolidated and separate 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 2024.
3. The Company's Internal Controls have been designed to ensure that all material information relating to the Company is received and provided to the Auditors in 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 2024.
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 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 11<sup>th</sup> day of July 2024



Mrs. Ijeoma Oduonye (ACIS)  
CHIEF EXECUTIVE OFFICER  
**FRC/2016/PRO/DIR/003/00000015363**



Mrs. Jane Ebere Nwabueze (ACA)  
CHIEF FINANCIAL OFFICER  
**FRC/2021/PRO/ICAN/001/00000025337**

## STATUTORY AUDIT COMMITTEE'S REPORT

For the period ended 30 April 2024

### 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 2024, as well as the Management's response thereon; and
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 2024 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 2024 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 10<sup>th</sup> July 2024



Mr. Chima Nwosu (ACA)

**Chairman, Audit Committee**

FRC/2013/ICAN/00000001042

### Members of the Audit Committee

Mr. Chima Nwosu	Chairman	(Shareholders' Representative)
Chief Edmund U. Njoku	Member	(Shareholders' Representative)
Mr. Jude Okpala	Member	(Shareholders' Representative)
Mr. Ariyo Olushekun	Member	(Directors' Representative)
Mrs. Ijeoma Ezeasor	Member	(Directors' Representative)

*(The Company Secretary served as the Secretary to the Committee)*



# **Ngozi Monica Okonkwo & Co.**

**BN 986676** (Chartered Accountants & Fraud Examiner) 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 2024 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 2024,
- ❖ Consolidated and Separate Statement of Comprehensive Income for the year ended, 30th April 2024,
- ❖ Statements of Changes in Equity for the year ended, 30th April 2024,
- ❖ Consolidated and Separate Statement of cash flows for the year ended, 30th April 2024,
- ❖ 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 2024 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 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, PhD, FCA**

**FRC/2013/PRO/ICAN/004/0000000916**

**For: NGOZI MONICA OKONKWO & CO**

**(Chartered Accountants) ONITSHA-**

**NIGERIA**

15<sup>th</sup> July, 2024

## CUTIX PLC

### CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH APRIL, 2024

	Note	Group		Company	
		30/4/2024 N'000	30/4/2023 N'000	30/4/2024 N'000	30/4/2023 N'000
Revenue	6	12,177,876	9,248,003	12,167,838	9,225,071
Cost of Sales	7	(9,069,433)	(6,961,650)	(9,059,079)	(6,946,005)
<b>Gross Profit</b>		<b>3,108,443</b>	2,286,353	<b>3,108,759</b>	2,279,066
Selling and Distribution Expenses	8	(194,200)	(137,047)	(194,007)	(136,649)
Administrative Expenses	9	(1,075,868)	(855,273)	(1,066,064)	(846,236)
<b>Operating (Loss)/ Profit</b>		<b>1,838,375</b>	1,294,033	<b>1,848,687</b>	1,296,181
Other Income	10	123,108	79,698	123,016	79,698
Finance Cost	11	(342,263)	(182,211)	(342,263)	(182,211)
<b>Profit Before Tax</b>	12	<b>1,619,220</b>	1,191,520	<b>1,629,439</b>	1,193,668
Income Tax Expense	13	(554,042)	(401,535)	(554,042)	(401,535)
<b>Profit for the Year</b>		<b>1,065,178</b>	789,985	<b>1,075,397</b>	792,133
Other Comprehensive Income					
<b>Total Comprehensive Income for the year</b>		<b>1,065,178</b>	789,985	<b>1,075,397</b>	792,133
Earnings per Share (Kobo) - Basic		30.24	22.43	30.53	22.49

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

**CUTIX PLC**  
**CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH APRIL, 2024**

	Notes	Group		Company	
		30/4/2024 N'000	30/4/2023 N'000	30/4/2024 N'000	30/4/2023 N'000
<b><u>Assets:</u></b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	14	1,337,995	1,090,727	1,213,740	964,723
Intangible Assets	15	0	1,517	0	1,517
Long Term Prepayments	16	3,600	37,120	3,600	37,120
Investment	17	-	-	71,692	107,538
<b>Total Non-Current Assets</b>		<b>1,341,595</b>	<b>1,129,364</b>	<b>1,289,032</b>	<b>1,110,898</b>
<b>Current Assets</b>					
Inventories	18	3,541,140	2,983,499	3,505,656	2,954,063
Trade and other Receivables	19	2,110,515	1,553,103	2,137,462	1,565,008
Other Prepayments	20	44,838	53,616	44,838	53,616
Cash and Bank Balances	21.1	250,715	122,422	235,961	113,205
<b>Total Current Assets</b>		<b>5,947,208</b>	<b>4,712,640</b>	<b>5,923,917</b>	<b>4,685,894</b>
<b>Total Assets</b>		<b>7,288,803</b>	<b>5,842,004</b>	<b>7,212,949</b>	<b>5,796,790</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	2,043,691	1,406,628	2,118,761	1,471,479
<b>Total equity attributable to owners of the</b>		<b>3,805,013</b>	<b>3,167,950</b>	<b>3,880,083</b>	<b>3,232,801</b>
<b><u>Liabilities:</u></b>					
<b>Non-Current Liabilities</b>					
Deferred Tax Liabilities	13.3	276,742	235,918	272,661	231,837
Long Term Borrowing	25.1	392,784	-	392,784	-
<b>Total Non-Current Liabilities</b>		<b>669,526</b>	<b>235,918</b>	<b>665,445</b>	<b>231,837</b>
<b>Current Liabilities</b>					
Short Term Borrowings	25.2	1,214,375	1,303,228	1,214,375	1,303,228
Trade and other Payables	22	1,106,542	754,956	959,698	648,972
Current Tax Liabilities		493,346	379,952	493,346	379,952
<b>Total Current Liabilities</b>		<b>2,814,263</b>	<b>2,438,136</b>	<b>2,667,419</b>	<b>2,332,152</b>
<b>Total Liabilities</b>		<b>3,483,789</b>	<b>2,674,054</b>	<b>3,332,863</b>	<b>2,563,989</b>
<b>Total Equity and Liabilities</b>		<b>7,288,803</b>	<b>5,842,004</b>	<b>7,212,949</b>	<b>5,796,790</b>

The Financial Statements on pages 35 to 38 and Notes to the Financial Statements on pages 40 to 71 were approved by the Board of Directors on 11<sup>th</sup> July 2024 and signed on its behalf by:

Barr (Mrs.) Ifeoma Nwahir  
 Chairman  
 FRC/2022/PRO/DIR/003/00000177451

Mrs. Ijeoma Oduonye  
 Chief Executive Officer  
 FRC/2016/PRO/DIR/002/00000015363

Mrs. Jane Ebere Nwabueze  
 Chief Financial Officer  
 FRC/2021/PRO/CAN/001/00000025337

## CUTIX PLC

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH APRIL, 2024

<b>Group</b>	<b>Share Capital N'000</b>	<b>Retained Earnings N'000</b>	<b>Total N'000</b>
<b>Balance as at May 1, 2023</b>	1,761,322	1,406,628	<b>3,167,950</b>
Changes in Equity for the year	-	-	-
Profit for the year	-	1,065,178	<b>1,065,178</b>
Total Equity in the year	1,761,322	2,471,806	<b>4,233,128</b>
<b>Transactions with owners recorded directly in Equity</b>			
Dividend paid during the year		(422,717)	<b>(422,717)</b>
Unclaimed Dividend written back	-	-	
Fund Unclaim Dividend	-	(5,398)	<b>(5,398)</b>
Total Transactions with owners	-	-	-
<b>At April 30, 2024</b>	<b>1,761,322</b>	<b>2,043,691</b>	<b>3,805,013</b>
<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	1,761,322	1,733,119	<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	-	(326,491)	<b>(326,491)</b>
<b>At April 30, 2023</b>	<b>1,761,322</b>	<b>1,406,628</b>	<b>3,167,950</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH APRIL, 2024**

**Company**

	<b>Share Capital N'000</b>	<b>Retained Earnings N'000</b>	<b>Total N'000</b>
<b>Balance as at May 1, 2023</b>	1,761,322	1,471,480	3,232,802
Changes in Equity for the year	-	-	-
Profit for the year	-	1,075,397	1,075,397
Total Equity in the year	1,761,322	2,546,877	4,308,199
<b>Transactions with owners recorded directly in equity</b>			-
Dividend paid during the year	-	(422,717)	(422,717)
Unclaimed Dividend written back	-	-	-
Fund Unclaim Dividend	-	(5,398)	(5,398)
Total transactions with owners	-	(428,115)	(428,115)
<b>At April 30, 2024</b>	1,761,322	2,118,762	3,880,084
<b>Balance as at May 1, 2022</b>	1,761,322	1,005,838	2,767,160
Changes in Equity for the year	-	-	-
Profit for the year	-	792,133	792,133
Total Equity in the year	1,761,322	1,797,971	3,559,293
<b>Transactions with owners recorded directly in equity</b>			
Dividend paid during the year	-	(352,264)	(352,264)
Unclaimed Dividend written back	-	25,773	25,773
Total transactions with owners	-	(326,491)	(326,491)
<b>At April 30, 2023</b>	1,761,322	1,471,480	3,232,802

**CUTIX PLC**  
**CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH APRIL, 2024**

		Group		Company	
	Note	30/4/2024 N'000	30/4/2023 N'000	30/4/2024 N'000	30/4/2023 N'000
<b><i>Cashflow from Operating Activities</i></b>					
Cash Receipts from Customers		11,955,653	8,940,542	11,944,783	8,900,342
Cash Paid to Suppliers and Employees		(10,454,625)	(7,867,617)	(10,449,930)	(7,834,317)
Value Added Tax - Input		389,796	155,651	389,796	155,651
Value Added Tax - (Output)		(499,470)	(338,646)	(498,831)	(336,926)
<b>Cash Generated from Operations</b>		<b>1,391,355</b>	<b>889,930</b>	<b>1,385,818</b>	<b>884,750</b>
Income Taxes paid through WHT		(32,943)	(20,042)	(32,943)	(20,042)
Tax Paid	13.1	(366,881)	(349,858)	(366,881)	(349,858)
<b><i>Net cash generated /(used) from Operating Activities</i></b>		<b>991,531</b>	<b>520,030</b>	<b>985,994</b>	<b>514,849</b>
<b><i>Cashflow from Investing Activities</i></b>					
Purchase of Property, Plant & Equipment	14	(396,790)	(271,689)	(396,790)	(271,689)
Sales proceed from disposal of Assets		-	8,436	-	8,436
<b><i>Net Cash used for Investing Activities</i></b>		<b>(396,790)</b>	<b>(263,252)</b>	<b>(396,790)</b>	<b>(263,253)</b>
<b><i>Cashflow from financing Activities</i></b>					
Dividend paid		(422,717)	(352,264)	(422,717)	(352,264)
Unclaimed Dividend written back		-	25,773	-	25,773
Unclaimed Dividend Refunded		(5,398)	-	(5,398)	-
Finance Costs		(342,263)	(182,211)	(342,263)	(182,211)
Long Term Borrowing	25.1	392,784	-	392,784	-
Short Term Borrowing	25.2	(88,852)	249,717	(88,852)	249,717
<b><i>Net Cash (used)/ generated in Financing Activities</i></b>		<b>(466,447)</b>	<b>(258,984)</b>	<b>(466,447)</b>	<b>(258,984)</b>
Net Increase in Cash and Cash Equivalents		128,294	(2,214)	122,757	(7,387)
Cash & Cash Equivalents at beginning of year	21.1	122,422	124,636	113,204	120,592
<b>Cash &amp; Cash Equivalents at end of year</b>	21.1	<b>250,715</b>	<b>122,422</b>	<b>235,961</b>	<b>113,204</b>

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2024**

### **1.0 The Company**

#### **1.1 Legal Form**

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

#### **1.2 Principal Activity**

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

### **2.0 Basis of Preparation of Accounts**

#### **2.1 Statement of Compliance**

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). It is also prepared in compliance with Companies and Allied Matters Act, 2020 (as amended) and Financial Reporting Council of Nigeria, Act No. 6, 2011 (as amended).

#### **2.2 Basis of Measurement**

The consolidated and separate financial statements have been prepared under the historical cost convention, except for the areas as indicated below: -

- ❖ Available for sale financial assets are measured at fair value,
- ❖ Financial instruments are measured at fair value,
- ❖ Loans and advances are stated at Amortised cost,
- ❖ Inventory is measured at net realisable value,
- ❖ Land and buildings are carried at cost or revalued amount,
- ❖ Investment properties are measured at fair value, and
- ❖ Defined benefit asset is recognised at the net total of the plan assets plus unrecognised past service cost and unrecognised actuarial loss, less unrecognised actuarial gains and the present value of the defined benefit obligation.

Judgments made by management in the application of IFRS that have significant effect on the consolidated and separate financial statements and estimates that may have significant risk of material adjustment in the next year are discussed.

#### **2.3 Functional and Presentation Currency**

The consolidated and separate financial statements are drawn up in Naira (₦) which is the functional currency of Cutix Plc and the figures are rounded to the nearest thousands except stated otherwise.



## NOTES TO THE FINANCIAL STATEMENTS

### Continued

#### 2.4 Composition of Financial Statements

The Company has been preparing its financial statements prepared under IFRS comprises of:

- ❖ Statement of profit or loss and other comprehensive Income
- ❖ Statement of financial position
- ❖ Statement of changes in equity
- ❖ Statement of cash flows
- ❖ Notes to the financial statements

#### 2.5 Financial Period

These financial statements cover the financial year ended 30th April 2024, with comparative amounts for the financial year ended 30th April 2023.

#### 2.6 Going Concern Considerations

The business entity will continue to operate in the foreseeable future without the need or intention on the part of management to liquidate the entity or to significantly curtail its operational activities as the Company has consistently been making profits. The Directors believe that there is no intention or threat from any source to curtail significantly its lines of business in the foreseeable future.

#### 2.7 Critical Estimates and Judgments

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

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

#### 3.0 Significant Accounting Policies

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

#### 3.1 Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation.

Likewise, when a major inspection is performed, its costs are recognised in the carrying amount of the plant and equipment as a replacement if the recognition

## NOTES TO THE FINANCIAL STATEMENTS

### Continued

criteria are satisfied. Land is carried at cost, less any recognised impairment loss. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

#### 3.1.1 Subsequent Costs

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

#### 3.1.2 De-recognition

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

#### 3.1.3 Depreciation of Property, Plant and Equipment

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

Depreciation starts when an asset is ready for use and ends when derecognised or classified as held for sale. Depreciation does not cease when the asset becomes idle or retired from use unless the asset is fully depreciated.

<b>Asset</b>	<b>Useful life</b>
Land	Lease period
Buildings & Infrastructure	15 to 40 years
Shops	5 to 30 years
Borehole & Tanks	10 years
Furniture & Fittings	10 years
Generating Sets	5 years
Machine Components	4 years
Plant, Machinery & Equipment	10 years
Motor Vehicles	4 years
Computer Equipment	2 years

#### 3.1.4 Asset Useful Lives and Residual Values

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

### **3.1.5 Provision for Dismantling/Restoration Cost**

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

Provisions are recognised whenever a legal or constructive obligation arising from past events, the outflow of resources to settle the liability can be estimated reliably. Provisions are discounted if the effect is material. However, no provision was made in the financial statements.

### **3.1.6 Related Parties (IAS 24)**

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

## **3.2 Intangible Assets**

### **i Recognition and Measurement**

Software acquired is stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

ii Amortisation is recognised in profit or loss on a straight line basis over the estimated useful life of the software from the date it is available for use. The estimated useful life for the current and comparative years of significant items of intangible assets, Odoo ERP is five (5) years.

### **3.2.1 Derecognition of Intangible Assets**

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

### **3.2.2 Subsequent Expenditure**

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Continued**

#### **3.2.3 Amortisation**

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

#### **3.2.4 Non-Current Assets held for Sale**

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

Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

### **3.3 Taxation**

The income tax expense represents the estimated sum of the tax currently payable and deferred tax.

#### **3.3.1 Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### **3.3.2 Deferred Tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

## NOTES TO THE FINANCIAL STATEMENTS

### Continued

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the reporting date. Deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off.

### 3.3.3 Tax Exposure

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

### 3.4 Inventory

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

- a. **Raw Materials:** Purchase cost on a weighted average cost basis.
- b. **Finished Goods and Work-in-Progress:** Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- c. **Other Inventories and Spares:** The cost of other inventories is based on weighted average. Spare parts are valued at the lower of cost and net realisable value. Value reduction and usage of spare parts are charged to statement of profit or loss and other comprehensive income.

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

The production costs comprise direct materials, direct labour and an appropriate of manufacturing fixed and variable overheads. Allowance is made for obsolete, slow moving or defective items where appropriate.

#### 3.4.1 Treatment of Goods in Transit

Goods in transit are recognised in the books as soon as significant risk and rewards of ownership is transferred to the customer (date of shipment).

## NOTES TO THE FINANCIAL STATEMENTS

### Continued

#### 3.5 Receivables

##### 3.5.1 Trade Receivables

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

#### 3.6 Financial Instruments

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

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

##### 3.6.1 Financial Assets

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

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

##### Loans and Receivables

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

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Continued**

However, where the impact of measuring these loans at Amortised cost is not significant, the receivables are carried at cost.

#### **Financial Assets Measured at Amortised Costs: - Trade and Other Receivables**

Financial assets measured at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets measured at amortised cost (including [trade and other receivables, and cash and bank balances) are measured at amortised cost using the effective interest method, less any impairment.

#### **Cash and Cash Equivalents**

Cash and cash equivalents includes cash in hand, cash balances with banks, other short term highly liquid investments with original maturity of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown as borrowings in current liabilities.

#### **Impairment of Financial Assets Measured at Amortised Cost: - Trade and Other Receivables**

Financial assets measured at amortised cost are assessed for indicators of impairment at the end of each reporting period on a collective basis even if they were assessed not to be impaired individually. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted (if significant) at the financial asset's original effective interest rate. The carrying amount is reduced through the use of an allowance account. Any uncollectible amount is written off against the allowance account while subsequent recoveries of amounts previously written off are credited against the allowance account. Previously recognised impairment loss is reversed in subsequent periods through profit or loss to the extent that the carrying amount at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### **3.6.2 De-recognition of Financial Assets**

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

### **3.6.3 Financial Liabilities**

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

## NOTES TO THE FINANCIAL STATEMENTS

### Continued

#### **Trade Payables**

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

#### **Borrowings**

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

#### **Borrowing Costs**

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

#### **3.6.4 Impairment of Financial Assets**

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

#### **3.7 Leases**

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

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

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



## NOTES TO THE FINANCIAL STATEMENTS

### Continued

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

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

### 3.8 Application of new and revised International Financial Reporting Standards (IFRS) and Interpretations to Standards

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

#### 3.8.1 IFRS 16 - Leases

IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC — 27: Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customers ('lease') and the supplier ('lessor'). IFRS 16 eliminates the classification of leases as operating leases or finance leases as required by IAS 17 and introduces a single lessee accounting model. Applying that model, a lessee is required to recognize:

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

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

#### 3.8.2 Amendments to IFRS 9 Prepayment Features with Negative Compensation

the amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the Solely Payment of Principal and Interest (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. The amendments have no impact on the Company's accounts.

## **NOTES TO THE FINANCIAL STATEMENTS**

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#### **3.8.3 Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures**

The amendment clarifies that IFRS 9, including its impairment requirements, applies to long term interests. Furthermore, in applying IFRS 9 to long term interests, an entity does not take into account adjustments to their carrying amount required by IAS 28 (i.e., adjustments to the carrying amount of long term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28). The amendments have no impact on the Company's accounts.

#### **3.9 Annual Improvements to IFRS Standards 2015 - 2017 Cycle**

##### **3.9.1 IAS 12 Income Taxes**

The amendments clarify that an entity should recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. The amendments have no impact on the financial statements.

##### **3.9.2 IAS 23 Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset are ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The amendments have no impact on the financial statements.

##### **3.9.3 IFRS 3 Business Combinations**

The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including re-measuring its Previously Held Interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. The amendments have no impact on the financial statements.

##### **3.9.4 IFRS 11 Joint Arrangements**

The amendments to IFRS 11 clarify that when a party that participates in, but such a joint operation, the entity does not re-measure its PHI in the joint operation. All the amendments are effective for annual periods beginning on or after 1<sup>st</sup> January 2019 and generally require prospective application. Earlier application is permitted.

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

##### **3.10 Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement**

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the

## NOTES TO THE FINANCIAL STATEMENTS

### Continued

effect of the assets ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

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

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

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

### 3.11 IFRIC 23 Uncertainty over Income Tax Treatments

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

### 3.12 New Standards, Amendments and Interpretation not yet Effective

Certain new standards, amendments to standards and interpretations have been published that are not yet effective for the financial year ended 30<sup>th</sup> April 2024 and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is as stated below:

#### 3.12.1 IFRS 17 - Insurance Contracts effective for Annual Periods beginning 1st January 2022

The new Standards establish the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersede IFRS 4 Insurance Contracts. The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach. The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure

## NOTES TO THE FINANCIAL STATEMENTS

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the cost of that uncertainty, it takes into account market interest rates and the impact of policy holders' options and guarantees. The implementation of the Standards is likely to bring significant changes to an entity's processes and systems, and will require much greater coordination between many functions of the business, including finance, actuarial and Information Technology.

#### 3.12.2 The Conceptual Framework for Financial Reporting (revised)

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

#### 3.13 Measurement of Fair Values

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

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

- ❖ Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ❖ Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- ❖ Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). In some cases, if the inputs used to measure the fair value of an asset or a liability is categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair value is included in Financial Instruments - Financial Risk Management and Fair Values (Note 30).

#### 4.1 Revenue

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

## NOTES TO THE FINANCIAL STATEMENTS

### Continued

#### 4.2 Sales of Goods

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

#### 4.3 Income Recognition

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

#### 4.4 Interest Income

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

#### 4.5 Interest Expenses

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

#### 4.6 Cost of Sales

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

#### 4.7 Post-Employment Benefits:

##### 4.7.1 Pension Fund Scheme

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

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

##### 4.7.2 Termination Benefit

Termination Benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates:

## NOTES TO THE FINANCIAL STATEMENTS

### Continued

- a. When the Company can no longer withdraw the offer of those benefits, and
- b. When the entity recognises costs for a restructuring that is within the scope of IAS37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting year are discounted to their present value.

#### 4.7.3 Productivity Incentive and Bonus Plans

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

#### 4.7.4 Contingent Liabilities

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

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

### 4.8 Provisions

#### 4.8.1 General

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision is presented in the income statement net of any reimbursement.

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

#### 4.8.2 Restructuring Provisions

Restructuring provisions are only recognised when general recognition criteria for provisions are fulfilled. Additionally, the company needs to have in place a detailed formal plan about the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and appropriate timeline. The people affected have a valid

## NOTES TO THE FINANCIAL STATEMENTS

### Continued

expectation that the restructuring is being carried out or the implementation has been initiated already.

#### 4.9.1 Foreign Currency

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

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

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

#### 4.9.2 Employment of Disabled Persons

It is the policy of the company that there should be no discrimination in considering applications for employment including those for disabled persons. As at 30th April 2024, there were three disabled persons in the employment of the company.

#### 4.9.3 Health, Safety at Work and Welfare of Company's Employees

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

#### 4.9.4 Earnings per Share

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

## NOTES TO THE FINANCIAL STATEMENTS

### Continued

#### 4.9.5 Share Capital

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

#### 4.9.6 Impairment of Non-Financial Assets

Goodwill and indefinite life intangible assets are considered for impairment at least annually. Property, plant and equipment, other intangible assets, available for sale investments and non-current assets held for sale are considered for impairment if there is a reason to believe that impairment may be necessary.

Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic entity, the viability of the unit itself. Future cash flows expected to be generated by the assets are projected, taking into account market conditions and the expected useful lives of assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. If the information to project future cash flows is not available or could not be reliably estimated management uses the best alternative information available to estimate a possible impairment.

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

#### 4.9.7 Segment Reporting

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

A segment is a distinguishable component of the company that is engaged either in providing related products or services (business segment) or in providing products or services within a particular economic environment (geographical segment) which is subject to result and returns that are different from those of other segments. Segment information is required to be presented in respect of the company's business and geographical segment where applicable. Nigeria is the company's primary geographical segment as all the company's income is derived in Nigeria.



## NOTES TO THE FINANCIAL STATEMENTS Continued

### New and amended IFRS standards

Certain new standards, amendments to standards and interpretations have been published. The Company's assessment of the impact of these new standards and interpretations is as stated below:

#### 5.0 New and amended IFRS standards that are effective for the current year

##### 5.0.1 Amendments to IAS 16 property plant and Equipment - proceeds before intended Use

The Company has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

##### 5.0.2 Annual Improvements to IFRS Standards 2018–2020

The Annual Improvements to IFRS Standards 2018-2020 cycle make amendments to the following standards:

- ❖ IFRS 9 Financial Instruments — clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- ❖ IFRS 16 Leases — amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

No new standards or amendments to existing standards, effective in 2022/2023, had a significant impact on the Company's financial statements.

#### 5.1 New and revised IFRS Standards in issue but not yet effective

No new standards or amendments to existing standards, effective in 2023, will have a significant impact on the Company's financial statements.

- ❖ Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.
- ❖ Amendments to IAS 1 - Classification of Liabilities as Current or Non-current.
- ❖ Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies.
- ❖ Amendments to IAS 8 - Definition of Accounting Estimates.
- ❖ Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- ❖ Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements.
- ❖ Amendments to IFRS 16 Lease Liability in a Sale and Leaseback.

**NOTES TO THE FINANCIAL STATEMENTS Continued**  
**FOR THE YEAR ENDED 30TH APRIL, 2024**

	<b>Group</b>		<b>Company</b>	
	<b>30/4/2024</b>	<b>30/4/2023</b>	<b>30/4/2024</b>	<b>30/4/2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>6.1. Revenue</b>				
Analysis of the Company's Revenue is as follows:				
Cables and Wire (Note 6.1)	<b>9,753,436</b>	5,898,535	<b>9,753,436</b>	5,898,535
Metal Product	<b>21,979</b>	126,178	<b>21,979</b>	126,178
Armoured Cable	<b>2,392,424</b>	3,200,358	<b>2,392,424</b>	3,200,358
Distribution Board	<b>414</b>	281	-	-
Switch Panels	<b>3,881</b>	19,822	-	-
Distribution Box	<b>724</b>	96	-	-
Fuse bases	<b>1,708</b>	-	-	-
Change over Switch	<b>3,310</b>	2733	-	-
	<b>12,177,876</b>	9,248,003	<b>12,167,838</b>	9,225,071
<b>6.2. Cables and Wire</b>				
House Wiring Cable	<b>8,866,373</b>	5,325,059	<b>8,866,373</b>	5,325,059
Flexible Cable	<b>490,627</b>	307,680	<b>490,627</b>	307,680
Twisted Cable	<b>376,415</b>	232,449	<b>376,415</b>	232,449
Auto Cable	<b>20,021</b>	33,347	<b>20,021</b>	33,347
	<b>9,753,436</b>	5,898,535	<b>9,753,436</b>	5,898,535
<b>7. Expenses by Nature - Cost of Sales</b>				
Depreciation Expenses - Production	<b>160,577</b>	218,101	<b>158,823</b>	216,347
Insurance - Production	<b>12,650</b>	4,897	<b>12,650</b>	4,897
Maintenance - Production	<b>67,619</b>	78,195	<b>67,318</b>	78,142
Power Charges	<b>37,522</b>	25,433	<b>36,805</b>	25,433
Production Supplies	<b>612,126</b>	481,195	<b>612,121</b>	481,128
Production Wages	<b>224,856</b>	175,858	<b>222,296</b>	173,553
Raw Material Cost	<b>7,893,481</b>	5,941,616	<b>7,888,464</b>	5,930,150
Motor Vehicle - COS	<b>60,603</b>	36,354	<b>60,603</b>	36,354
	<b>9,069,433</b>	6,961,650	<b>9,059,079</b>	6,946,005
<b>8. Expenses by Nature - Selling and Distribution Expenses</b>				
Distribution Expenses	<b>45,866</b>	71,321	<b>45,715</b>	71,026
Advertisement and Promotions	<b>148,334</b>	65,726	<b>148,292</b>	65,624
	<b>194,200</b>	137,047	<b>194,007</b>	136,649

**NOTES TO THE FINANCIAL STATEMENTS Continued**  
**FOR THE YEAR ENDED 30TH APRIL, 2024**

	<b>Group</b>		<b>Company</b>	
	<b>30/4/2024</b>	<b>30/4/2023</b>	<b>30/4/2024</b>	<b>30/4/2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>9. Expenses by Nature – Administrative Expenses</b>				
Amortisation Charge	<b>1,517</b>	1,517	<b>1,517</b>	1,517
Audit Fees	<b>6,188</b>	4,510	<b>5,675</b>	4,000
Bad Debt	<b>1,200</b>	3,326	<b>1,200</b>	3,326
Bank Charges	<b>23,776</b>	16,034	<b>23,763</b>	15,990
Communication Expenses	<b>20,566</b>	14,486	<b>20,519</b>	14,458
Corporate Social Responsibility	<b>27,303</b>	112,913	<b>27,303</b>	112,913
Depreciation-Office	<b>52,661</b>	59,040	<b>52,661</b>	59,040
Directors' Emolument	<b>20,889</b>	17,820	<b>20,889</b>	17,820
Entertainment Expenses	<b>6,360</b>	4,816	<b>6,360</b>	4,816
Insurance-Office	<b>11,882</b>	9,884	<b>11,882</b>	9,884
Medical and Welfare	<b>117,091</b>	89,776	<b>116,959</b>	88,266
Pension (Management Contribution)	<b>34,858</b>	30,243	<b>34,858</b>	30,224
Printing and Stationeries	<b>4,471</b>	2,469	<b>4,459</b>	2,468
Professional Services	<b>9,743</b>	3,796	<b>9,743</b>	3,796
Rent and Rates	<b>18,801</b>	21,571	<b>18,801</b>	21,511
Repairs and Maintenance	<b>18,539</b>	19,457	<b>18,460</b>	19,379
Research and Development	<b>98</b>	1,530	<b>98</b>	1,530
Retirement Benefits	<b>34,748</b>	12,461	<b>34,748</b>	12,461
Security Expenses	<b>84,363</b>	-	<b>84,363</b>	
Staff Salaries	<b>328,598</b>	256,661	<b>319,793</b>	250,235
Subscriptions and Periodicals	<b>15,795</b>	17,100	<b>15,795</b>	17,100
Training and Development	<b>15,977</b>	10,715	<b>15,977</b>	10,715
Transport and Traveling	<b>183,895</b>	120,539	<b>183,804</b>	120,353
Utility Expenses	<b>9,006</b>	10,596	<b>8,895</b>	10,421
Vehicle Operating Expenses	<b>27,543</b>	14,012	<b>27,543</b>	14,012
	<b>1,075,868</b>	855,273	<b>1,066,064</b>	846,236

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL, 2024**

	<b>Group</b>		<b>Company</b>	
	<b>30/4/2024</b>	<b>30/4/2023</b>	<b>30/4/2024</b>	<b>30/4/2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>10. Other Income</b>				
Profit/(Loss) on sale of Property, Plant and Equipment		8,436	<b>(8,143)</b>	8,436
Foreign Exchange Difference	<b>(8,143)</b>			
Sales of Scrap	-	3,115		3,115
Import Grant	<b>131,251</b>	68,147	<b>131,159</b>	68,147
	-	-	-	-
Exchange gain relates to both realised and denominated balances as at the reporting date.	<b>123,108</b>	79,698	<b>123,016</b>	79,698
<b>11. Finance Cost</b>				
Interest on Term Loans	<b>109,019</b>	2,213	<b>109,019</b>	2,213
Interest on Commercial Papers	<b>129,104</b>	110,629	<b>129,104</b>	110,629
Interest on Overdraft	<b>104,140</b>	69,368	<b>104,140</b>	69,368
	<b>342,263</b>	182,211	<b>342,263</b>	182,211
<b>12. Profit for the year before Taxation</b>				
(Loss)/Profit before Taxation has been arrived at after charging /(crediting):				
Directors' Fees	<b>1,287</b>	1,031	<b>1,287</b>	1,031
Directors Remuneration	<b>19,602</b>	16,789	<b>19,602</b>	16,789
Audit Fees	<b>6,188</b>	4,510	<b>5,675</b>	4,000
Finance Cost	<b>342,263</b>	182,211	<b>342,263</b>	182,211
Depreciation of Property, Plant and Equipment (Note 14)	<b>213,238</b>	235,764	<b>211,485</b>	234,010
Amortisation	<b>1,517</b>	1,517	<b>1,517</b>	1,517
And after Crediting:	-			
Other Income	<b>123,109</b>	76,583	<b>123,016</b>	76,583
Exchange Gain/(Loss)	-	3,115	-	3,115

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL, 2024**

	Group		Company	
	30/4/2024	30/4/2023	30/4/2024	30/4/2023
	N'000	N'000	N'000	N'000
13 Tax Expenses				
13.1 Income Tax recognised in Profit or Loss				
<b>Current Tax</b>				
<i>Current Tax expense for Current year:</i>				
Income Tax	466,629	<b>344,210</b>	466,629	<b>344,21</b>
Expenses Tax	46,508	<b>35,614</b>	46,508	<b>35,614</b>
<b>NPTF Levy</b>				
Deferred Tax (Note 13.3)	81	60	81	60
Balance Per Income Statement	<b>40,824</b>	21,652	<b>40,824</b>	21,652
<b>Current Liabilities in the Statement of</b>	<b>554,042</b>	401,535	<b>554,042</b>	401,535
Taxation on Profit on Ordinary Activities				
Education Tax	<b>466,629</b>	344,210	<b>466,629</b>	344,210
NPTF Levy	<b>46,508</b>	35,614	<b>46,508</b>	35,614
	81	60	81	60
Balance Brought Forward	<b>513,218</b>	379,884	<b>513,218</b>	379,883
Payments During The Year	<b>379,952</b>	369,969	<b>379,952</b>	369,969
Withholding Tax Utilised	<b>(366,881)</b>	(349,858)	<b>(366,881)</b>	(349,858)
Balance per Statement of Financial Position	<b>(32,943)</b>	(20,042)	<b>(32,943)</b>	(20,042)
	<b>493,346</b>	379,952	<b>493,346</b>	379,952
13.2 <b>Deferred Tax</b>				
At May 1,	<b>240,000</b>	214,267	<b>231,837</b>	210,185
Charged to Profit or Loss	<b>40,824</b>	21,652	<b>40,824</b>	21,652
At April 30,	<b>280,824</b>	235,919	<b>272,661</b>	231,837
<b>Reconciliation of Effective Tax Rate</b>				
Profit for the year	<b>1,065,178</b>	789,985	<b>1,075,397</b>	792,132
Total Income Tax Expense	<b>493,346</b>	379,952	<b>493,346</b>	379,952
Profit excluding Deferred Tax	<b>1,558,524</b>	1,169,937	<b>1,568,743</b>	1,172,084
<b>Effective Tax Rate</b>	<b>32%</b>	32%	<b>31%</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.

13.3 *Deferred Tax*

**GROUP**

	Opening Balance N'000	Recognised in Profit or Loss N'000	Recognised in OCI N'000	Closing Balance N'000
<b>As at April 30, 2024</b>				
Deferred Tax Liability or Asset in relation to:				
Property, Plant and Equipment	235,919	40,824	-	<b>276,743</b>
	<b>235,919</b>	<b>40,824</b>	<b>-</b>	<b>276,743</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>

**COMPANY**

	Opening Balance N'000	Recognised in Profit or Loss N'000	Recognised in OCI N'000	Closing Balance N'000
<b>As at April 30, 2024</b>				
Deferred Tax Liability or Asset in relation to:				
Property, Plant and Equipment	231,837	40,824	-	<b>272,661</b>
	<b>231,837</b>	<b>40,824</b>	<b>-</b>	<b>272,661</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>

**CUTIX PLC**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL, 2024**

**13. Property, Plant and Equipment**

	<b>Group</b>											
	<b>Land</b>	<b>Buildings &amp; Infrastructure</b>	<b>Shops</b>	<b>Borehole &amp; Tanks</b>	<b>Generating Sets</b>	<b>Machine Components</b>	<b>Plant &amp; Machinery &amp; Equipment</b>	<b>Motor Vehicles</b>	<b>Computer Equipment</b>	<b>Furniture &amp; Fittings</b>	<b>Capital Work in Progress</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b><u>Cost:</u></b>												
As at May 1, 2022	205,383	463,006	4,200	24,276	357,877	64,929	888,032	308,154	90,903	54,946	21,819	2,483,524
Additions	-	-	66,750	-	125	30,076	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 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>
Additions	-	-	-	12,643	59,681	26,911	240,993	12,661	4,273	2,199	37,430	396,790
Disposals	-	-	-	-	(7,872)	-	-	(24,450)	-	-	-	(32,322)
<b>Balance at April 30, 2024</b>	<b>205,383</b>	<b>505,012</b>	<b>70,950</b>	<b>36,918</b>	<b>343,607</b>	<b>118,553</b>	<b>1,289,550</b>	<b>293,114</b>	<b>101,260</b>	<b>58,608</b>	<b>69,486</b>	<b>3,092,443</b>
<b><u>Depreciation</u></b>												
As at May 1, 2022	-	123,585	1,400	22,007	186,518	24,746	724,945	215,766	89,847	39,909	-	1,428,723
Acquired from Business Combination	-	-	-	-	-	-	-	-	-	-	-	-
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 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>
Depreciation for the year	-	14,731	2,365	1,264	39,663	41,667	26,556	14,286	6,307	2,684	-	149,523
Disposals	-	-	-	-	(7,872)	-	-	(24,450)	-	-	-	(32,322)
<b>Balance at April 30, 2024</b>	<b>-</b>	<b>141,167</b>	<b>6,130</b>	<b>25,540</b>	<b>221,682</b>	<b>84,277</b>	<b>880,646</b>	<b>250,066</b>	<b>99,127</b>	<b>45,813</b>	<b>-</b>	<b>1,754,448</b>
<b><u>Carrying amount:</u></b>												
As at April 30, 2024	205,383	363,845	64,820	11,378	121,924	34,276	408,905	43,048	2,133	12,796	69,486	1,337,995
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

**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30TH APRIL, 2024**

**14 Property, Plant and Equipment**

	Company											
	Land	Buildings & Infrastructure	Shops	Borehole & Tanks	Generating Sets	Machine Components	Plant & Machinery & Equipment	Motor Vehicles	Computer Equipment	Furniture & Fittings	Capital Work in Progress	Total
	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, 2022	137,383	392,874	4,200	24,276	357,877	64,929	873,834	308,153	88,627	52,864	21,819	<b>2,326,836</b>
Additions	-	-	66,750	-	125	30,076	100,460	-	8,341	1,464	64,473	<b>271,689</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 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>2,571,286</b>
Additions	-	-	-	12,643	59,681	26,911	240,993	12,661	4,273	2,199	37,430	<b>396,790</b>
Disposals	-	-	-	-	(7,872)	-	-	(24,450)	-	-	-	<b>(32,322)</b>
<b>Balance at April 30, 2024</b>	<b>137,383</b>	<b>434,880</b>	<b>70,950</b>	<b>36,918</b>	<b>343,607</b>	<b>118,553</b>	<b>1,275,352</b>	<b>293,114</b>	<b>98,984</b>	<b>56,526</b>	<b>69,486</b>	<b>2,935,754</b>
												<b>-</b>
<b><u>Depreciation</u></b>												
As at May 1, 2022	-	113,215	1,400	22,007	186,518	24,747	710,747	215,767	87,571	37,826	-	<b>1,399,797</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 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>1,606,566</b>
Depreciation for the year	-	12,978	2,365	1,264	39,663	41,667	26,556	14,286	6,307	2,684	-	<b>147,770</b>
Disposals	-	-	-	-	(7,872)	-	-	(24,450)	-	-	-	<b>(32,322)</b>
<b>Balance at April 30, 2024</b>	<b>-</b>	<b>127,291</b>	<b>6,130</b>	<b>25,540</b>	<b>221,682</b>	<b>84,278</b>	<b>866,447</b>	<b>250,067</b>	<b>96,851</b>	<b>43,730</b>	<b>-</b>	<b>1,722,015</b>
												<b>-</b>
<b><u>Carrying amount:</u></b>												
As at April 30, 2024	137,383	307,589	64,820	11,378	121,925	34,275	408,905	43,047	2,133	12,797	69,486	<b>1,213,740</b>
As at April 30, 2023	137,383	320,567	67,185	(0)	101,907	49,031	194,468	44,672	4,166	13,282	32,056	<b>964,723</b>



**CUTIX PLC**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE**  
**YEAR ENDED 30TH APRIL, 2024**

15 Intangible Assets Group	Goodwill N'000	Software N'000	Total N'000
<b><u>Cost:</u></b>			
Balance at May 1, 2023	-	7,589	7,589
<b>Balance at April 30, 2024</b>	<b>-</b>	<b>7,589</b>	<b>7,589</b>
<b><u>Amortisation</u></b>			
Balance at May 1, 2023	-	6,072	6,072
Amotisation for the year	-	1,517	1,517
<b>Balance at April 30, 2024</b>	<b>-</b>	<b>7,589</b>	<b>7,589</b>
			-
<b>As at April 30, 2024</b>	<b>-</b>	<b>0</b>	<b>0</b>
<b>As at April 30, 2023</b>	<b>-</b>	<b>1,517</b>	<b>1,517</b>
<b>Company</b>	<b>Goodwill N'000</b>	<b>Software N'000</b>	<b>Total N'000</b>
<b><u>Cost:</u></b>			
Balance at May 1, 2023	-	7,589	7,589
<b>Balance at April 30, 2024</b>	<b>-</b>	<b>7,589</b>	<b>7,589</b>
<b><u>Amortization</u></b>			
Balance at May 1, 2023	-	6,072	6,072
Amotisation for the year	-	1,517	1,517
<b>Balance at April 30, 2024</b>	<b>-</b>	<b>7,589</b>	<b>7,589</b>
			-
<b>As at April 30, 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at April 30, 2023</b>	<b>-</b>	<b>1,517</b>	<b>1,517</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL, 2024**

	<b>Group</b>		<b>Company</b>	
	<b>30/4/2024</b>	<b>30/4/2023</b>	<b>30/4/2024</b>	<b>30/4/2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>16 Prepayments</b>				
Prepayments	3,600	37,120	3,600	37,120
	<b>3,600</b>	<b>37,120</b>	<b>3,600</b>	<b>37,120</b>
<b>17 Investment</b>				
Investment in Subsidiary	-	-	179,228	179,228
Amortisation	-	-	(107,537)	(71,691)
	<b>-</b>	<b>-</b>	<b>71,692</b>	<b>107,537</b>

<b>Name of Subsidiary</b>	<b>Principal activity and operation</b>	<b>30/4/2024</b>	<b>30/4/2023</b>
		<b>%</b>	<b>%</b>
Adswitch Plc	Gear Switch Panel		100%

	<b>Group</b>		<b>Company</b>	
	<b>30/4/2024</b>	<b>30/4/2023</b>	<b>30/4/2024</b>	<b>30/4/2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>18 Inventories</b>				
Raw materials	579,705	625,300	556,726	607,165
Work in progress	485,731	452,855	484,219	451,863
Finished goods	2,226,783	1,658,791	2,215,960	1,648,554
Technical stock and spares	244,253	239,588	244,084	239,516
Consumables	2,691	3,729	2,691	3,729
Advert and promotion	1,976	3,236	1,976	3,236
	<b>3,541,140</b>	<b>2,983,499</b>	<b>3,505,656</b>	<b>2,954,063</b>

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

<b>19 Trade and Other Receivables</b>				
Trade Receivable	91,267	226,917	91,247	226,897
Deposit for Imports	2,002,843	1,303,741	2,002,843	1,303,741
Staff Receivables	10,302	14,064	10,302	14,057
Other Receivables	6,103	8,380	33,070	20,313
	<b>2,110,515</b>	<b>1,553,103</b>	<b>2,137,462</b>	<b>1,565,010</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	48,438	90,736	48,438	90,736
Prepayments due after one year	(3,600)	(37,120)	(3,600)	(37,120)
Prepayments due within one year	<b>44,838</b>	<b>53,616</b>	<b>44,838</b>	<b>53,616</b>

<b>21.1 Cash and Cash Equivalents</b>				
Cash Balances	161	229	160	208
Access Bank Plc	15,188	28,817	15,176	28,805
Fidelity Bank Plc	128,427	30,856	113,792	21,778
First Bank Plc	19,778	1,820	19,769	1,811
Guaranty Trust Holding Company Plc	5,494	8,470	5,494	8,470
Heritage Bank Plc	42	42	-	-
Polaris Bank Limited	6,392	6,126	6,392	6,126
Sterling Bank Plc	538	588	538	588
Union Bank of Nigeria Plc	63,612	10,049	63,575	10,012
United Bank for Africa Plc	11,084	24,638	11,065	24,619
Zenith Bank Plc	-	10,788	-	10,788
<b>Cash and Bank balance</b>	<b>250,715</b>	<b>122,422</b>	<b>235,961</b>	<b>113,205</b>

The carrying amount are approximately equal to their Fair Value.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL, 2024**

	<b>Group</b>		<b>Company</b>	
	<b>30/4/2024</b>	<b>30/4/2023</b>	<b>30/4/2024</b>	<b>30/4/2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>21.2 Reconciliation of Net Income to Net Cash Provided by Operating Activities:</b>				
Profit before finance costs	1,961,484	1,373,731	1,971,703	1,375,524
<b>Adjustments for:</b>				
Equipment	149,523	235,763	147,770	234,010
Amortisation	1,517	1,517	1,517	1,517
Amortisation - Adswitch	-	-	-	-
Profit or (loss) on asset disposal	-	-	-	-
<b>Operations</b>	<b>2,112,525</b>	<b>1,611,011</b>	<b>2,120,990</b>	<b>1,611,051</b>
<b>Changes in Working Capital:</b>				
Inventories	(557,641)	(250,697)	(515,742)	(207,909)
Receivables	(557,412)	(387,157)	(572,454)	(404,425)
Prepayments	42,298	(77,290)	42,298	(77,290)
Payables	351,584	(5,936)	310,726	(36,676)
<b>Total adjustments</b>	<b>(721,171)</b>	<b>(721,081)</b>	<b>(735,172)</b>	<b>(726,299)</b>
	<b>1,391,354</b>	<b>889,930</b>	<b>1,385,818</b>	<b>884,752</b>
<b>Cash Generated from Operations</b>				
<b>22 Trade and other Payables</b>				
Trade Payables	407,406	340,456.54	406,676	339,931.34
Accruals	543,853	291,893.27	432,264	197,317.49
Value Added Tax & WHT Payable	121,053	76,284.88	120,758	76,721.65
Other Payables	34,230	46,321.39	-	35,001.47
	<b>1,106,542</b>	<b>754,956</b>	<b>959,698</b>	<b>648,972</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>	<b>1,761,322</b>	<b>1,761,322</b>	<b>1,761,322</b>
<b>24 Retained Earnings</b>				
At May 1,	1,406,628	943,134	1,471,479	1,005,838
Transfer from Income Statement	1,065,178	789,985	1,075,397	792,132
Dividend written back	-	25,773	-	25,773
Fund Unclaim Dividend	(5,398)	-	(5,398)	-
Dividend paid in the year	(422,717)	(352,264)	(422,717)	(352,264)
At April 30,	<b>2,043,691</b>	<b>1,406,628</b>	<b>2,118,761</b>	<b>1,471,479</b>
<b>25.1 Long Term Borrowings:</b>				
Bank of Industry (BOI)	729,456	-	729,456	-
Current portion (BOI)	(336,672)	-	(336,672)	-
	<b>392,784</b>	<b>-</b>	<b>392,784</b>	<b>-</b>
<b>Bank of Industry Limited</b>				
The company obtained Working Capital Loan from BOI at applicable interest rate of 12.5%.				
<b>25.2 Short Term Borrowings:</b>				
The movement in the loan from Banks are as follows:				
Current portion (BOI)	336,672	-	336,672	-
Ecobank Nigeria Ltd - Overdraft	106,720	69,847	106,720	69,847
Ecobank Nigeria Ltd - STF	-	250,000	-	250,000
Union Bank of Nigeria Plc - STF	-	194,317	-	194,317
Union Bank of Nig Plc - Overdraft	-	5,820	-	5,820
Zenith Bank	44,241	-	44,241	-
Commercial Papers (Note 25.1)	726,742	783,244	726,742	783,244
	<b>1,214,375</b>	<b>1,303,228</b>	<b>1,214,375</b>	<b>1,303,228</b>

Commercial papers were issued to various individuals and Co-operative societies for period of 90 days renewable at interest rates ranging from 6% to 18%.

**NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE  
YEAR ENDED 30TH APRIL, 2024**

	<b>Group</b>		<b>Company</b>	
	<b>30/4/2024</b>	<b>30/4/2023</b>	<b>30/4/2024</b>	<b>30/4/2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>26 Staff Costs</b>				
Salaries & Wages	<b>553,454</b>	432,519	<b>542,089</b>	423,788
Medical, welfare, pension and training	<b>167,927</b>	130,733	<b>167,794</b>	129,205
	<b>721,381</b>	563,253	<b>709,884</b>	552,993
<b>27 Directors and Employees</b>				
<b>27.1 Directors' emoluments</b>				
<b>(i) Chairman's Emoluments:</b>				
Fees	<b>334</b>	212	<b>334</b>	212
Other	<b>1,024</b>	731	<b>1,024</b>	731
	<b>1,358</b>	943	<b>1,358</b>	943
<b>(ii) Other Directors' Emoluments:</b>				
Fees Other	<b>934</b>	1,167	<b>934</b>	1,167
	<b>19,955</b>	15,710	<b>19,955</b>	15,710
	<b>20,889</b>	16,877	<b>20,889</b>	16,877
<b>(iii) The number of Directors excluding the Chairman whose emoluments were within the following ranges were: -</b>				
Above N60,001	<b>8</b>	8	<b>8</b>	8
Number of Directors who had no emoluments	<b>None</b>	None	<b>None</b>	None
<b>(iv) Employees remunerated at higher rates:</b>				
The number of employees in receipt of emoluments within the following ranges were:				
N600,000 -N700,000	<b>2</b>	4	-	-
N700,001 - N800,000	-	-	-	-
N800,001 - N900,000	<b>59</b>	76	<b>56</b>	75
N900,001 - N1,000,000	<b>24</b>	2	<b>24</b>	-
Above N1,000,001	<b>194</b>	176	<b>194</b>	176
<b>(v) Staff Costs:</b>				
The number of persons employed at 30th April, and the staff costs were as follows				
Managerial	<b>16</b>	17	<b>16</b>	17
Intermediate staff Junior staff	<b>67</b>	183	<b>67</b>	177
	<b>196</b>			
	<b>279</b>	258	<b>274</b>	251
<i>The related staff costs amounted to N721,380,000 (2023: N563,253,000)</i>				
<b>(vi) Key Management Compensation</b>				
Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.				
Key Management Compensation Includes: Short Term				
Employee Benefits:				
Wages And Salaries:				
Directors Emoluments	<b>20,889</b>	943	<b>20,889</b>	943
Post-Employment Benefits:				
Defined Contribution Plan	<b>34,858</b>	30,224	<b>34,858</b>	30,224
	<b>55,747</b>	31,166	<b>55,747</b>	31,166
<b>28 Dividends Paid and Proposed</b>				
<b>Dividends on Ordinary Shares declared and paid during the year</b>				
Proposed Dividend for 2023: 12Kobo per Share (2022: 10Kobo per Share)	<b>422,717</b>	352,264	<b>422,717</b>	352,264
	<b>422,717</b>	352,264	<b>422,717</b>	352,264

**NOTES TO THE FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED 30TH APRIL, 2024**

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.

	<b>Group</b>		<b>Company</b>	
	<b>30/4/2024</b>	<b>30/4/2023</b>	<b>30/4/2024</b>	<b>30/4/2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Weighted average number of	<b>3,522,644</b>	3,522,644	<b>3,522,644</b>	3,522,644
Profit attributable to Ordinary	<b>1,065,178</b>	789,985	<b>1,075,397</b>	792,133
Basic Earnings Per Share (Kobo)	<b>30.24</b>	22.43	<b>30.53</b>	22.49

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 of 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.

**Gearing ratio**

The Gearing Ratio at the year end is as follows:

Debt (i)	<b>1,607,159</b>	1,303,228	<b>1,607,159</b>	1,303,228
Less: Cash and Bank balances	<b>(250,715)</b>	(122,422)	<b>(235,961)</b>	(113,205)
<b>Net Debt</b>	<b>1,356,445</b>	1,180,806	<b>1,371,198</b>	1,190,024
Equity (ii)	<b>3,805,013</b>	3,167,950	<b>3,880,083</b>	3,232,801
<b>Net debt to equity ratio</b>	<b>36%</b>	37%	<b>35%</b>	37%

(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>250,715</b>	122,422	<b>235,961</b>	113,205
Trade and other Receivables	<b>2,110,515</b>	1,553,103	<b>2,137,462</b>	1,565,008
	<b>2,361,230</b>	1,675,525	<b>2,373,424</b>	1,678,213

**Financial Liabilities**

Financial Liabilities at Amortised cost:

Borrowings	<b>392,784</b>	444,317	<b>392,784</b>	444,317
Trade and other Payables	<b>1,106,542</b>	754,956	<b>959,698</b>	648,972
Bank overdraft	<b>150,961</b>	75,667	<b>150,961</b>	75,667
	<b>1,650,287</b>	1,274,940	<b>1,503,443</b>	1,168,956

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.

**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 have successfully dealt with foreign competition, especially in terms of superior product quality. In spite of the difficult economic conditions in Nigeria, the firms in the cable and wire industry are reputed to produce world-class products. The quality of products from this subsectoral group of the manufacturing industry is considered superior even by multinationals. Moreover, despite the prevalent capacity underutilisation in the industrial sector of the country as a whole, the cable and wire manufacturing firms have done relatively well.

**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>30/4/2024</b>	<b>30/4/2023</b>	<b>30/4/2024</b>	<b>30/4/2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Bank Balances	<b>250,715</b>	122,422	<b>235,961</b>	113,205
Trade and other Receivables	<b>2,110,515</b>	1,553,103	<b>2,137,462</b>	1,565,010
	<b>2,361,230</b>	1,675,525	<b>2,373,424</b>	1,678,215

**30.9 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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 30TH APRIL, 2024**

**30.10 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, 2024 (30/4/2023: 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, 2024 (30/4/2023: 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, 2024

Group	30/4/2024		30/4/2023	
	N'000	%	N'000	%
Revenue	12,177,876		9,248,003	
Other Income	123,108		79,698	
	<u>12,300,984</u>		<u>9,327,701</u>	
Bought in materials and services				
Foreign	(1,925,858)		(1,067,000)	
Local	(7,479,023)		(6,087,954)	
<b>Value Added</b>	<u><b>2,896,102</b></u>	<u><b>100</b></u>	<u>2,172,747</u>	<u>100</u>
<b>Applied as follows:</b>				
<b>To employees</b>				
As salaries and wages	721,381	24.91	563,253	25.92
<b>To Providers of Capital</b>				
Interest charges	342,263	11.82	182,211	8.39
<b>To government:</b>				
As Company Income Taxes	513,137	17.72	379,824	17.48
As NPTF levy	81	0.00	60	0.00
<b>Retained for the Company's future:</b>				
Deferred Taxation	40,824	1.41	21,652	1.00
Depreciation	213,238	7.36	235,763	10.85
(Loss)/ Profit for the year	<u>1,065,178</u>	<u>36.78</u>	<u>789,985</u>	<u>36.36</u>
<b>Value Added</b>	<u><b>2,896,102</b></u>	<u><b>100</b></u>	<u>2,172,747</u>	<u>100</u>

Company	30/4/2024		30/4/2023	
	N'000	%	N'000	%
Revenue	12,167,838		9,225,071	
Other Income	123,016		79,698	
	<u>12,290,854</u>		<u>9,304,769</u>	
Bought in materials and services				
Foreign	(1,925,858)		(1,071,283)	
Local	(7,471,865)		(6,070,605)	
<b>Value Added</b>	<u><b>2,893,130</b></u>	<u><b>100.00</b></u>	<u>2,162,881</u>	<u>100.00</u>
<b>Applied as follows:</b>				
<b>To employees</b>				
As salaries and wages	709,884	24.54	552,993	25.57
<b>To Providers of Capital</b>				
Interest charges	342,263	11.83	182,211	8.42
<b>To government:</b>				
As Company Income Taxes	513,218	17.74	379,824	17.56
As NPTF Levy	60	0.00	60	0.00
<b>Retained for the Company's future:</b>				
Deferred Taxation	40,824	1.41	21,652	1.00
Depreciation	211,485	7.31	234,010	10.82
Profit for the year	<u>1,075,397</u>	<u>37.17</u>	<u>792,133</u>	<u>36.62</u>
<b>Value Added</b>	<u><b>2,893,130</b></u>	<u><b>100.00</b></u>	<u>2,162,883</u>	<u>100.00</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**

**Assets Employed:**

	<b>30/4/2024</b>	30/4/2023	30/4/2022	30/4/2021	30/4/2020
	<b>N'000</b>	N'000	N'000	N'000	N'000
Property, Plant and Equipment	<b>1,337,995</b>	1,090,727	1,054,801	997,158	813,161
Intangible Assets	<b>0</b>	1,517	3,035	4,553	6,071
Long Term Prepayments	<b>3,600</b>	37,120	1,092	3,665	43,116
Inventories	<b>3,541,140</b>	2,983,499	2,754,237	2,433,424	1,782,972
Trade and other Receivables	<b>2,110,515</b>	1,553,103	1,165,944	1,227,505	744,764
Prepayments	<b>44,838</b>	53,616	12,354	15,310	70,286
Cash and Cash Equivalents	<b>250,715</b>	122,422	124,637	110,576	167,620

**Equity and Liabilities**

<b>Equity</b>	<b>7,288,802</b>	5,842,005	5,116,100	4,792,191	<b>3,627,990</b>
Paid up Share Capital					
Retained Earnings	<b>1,761,322</b>	1,761,322	1,761,322	880,661	880,661
	<b>2,043,691</b>	1,406,628	943,134	1,275,129	924,976
	<b>3,805,013</b>	3,167,950	2,704,456	2,155,790	<b>1,805,637</b>

**Liabilities**

Long Term Borrowings					
Deferred Tax Liabilities	<b>392,784</b>	-	-	81,844	327,613
Short Term Borrowings	<b>276,742</b>	235,918	214,267	200,848	180,903
Trade and other Payables	<b>1,214,375</b>	1,303,228	1,078,389	1,463,102	776,921
Current Tax Payable	<b>1,106,542</b>	754,956	749,020	600,668	264,065
	<b>493,346</b>	379,952	369,969	289,941	272,850
	<b>3,483,788</b>	2,674,056	2,411,645	2,636,402	<b>1,822,352</b>

**Total Equity and Liabilities**

	<b>7,288,802</b>	5,842,005	5,116,099	4,792,191	<b>3,627,990</b>
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**Revenue**

	<b>12,177,876</b>	9,248,003	7,867,764	6,749,840	<b>5,025,500</b>
Profit before Taxation					
Taxation	<b>1,619,220</b>	1,191,520	1,157,641	899,827	585,505
Profit after Taxation	<b>(554,042)</b>	(401,535)	(371,335)	(305,804)	(192,450)
OCI	<b>1,065,178</b>	789,985	786,306	594,023	393,055
Dividend	-	-	-	(50,938)	-
	-	(422,717)	(352,264)	(264,198)	(220,166)
	<b>1,065,178</b>	367,267	434,042	278,887	<b>172,889</b>

**Earnings per Share-Basic (Kobo)**

Dividend per Share (Kobo)	<b>30.24</b>	22.43	22.32	30.83	
Dividend payout Ratio (%)	-	12.00	10.00	12.50	22.32
Total Assets Per Share (Kobo)	-	53.51	44.80	40.54	12.50
	<b>207</b>	166	145	272	56.01

**NOTE:**

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**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**

	<b>30/4/2024</b>	30/4/2023	30/4/2022	30/4/2021	30/4/2020
	<b>N'000</b>	N'000	N'000	N'000	N'000
<b>Assets Employed:</b>					
Property, Plant and Equipment	<b>1,213,740</b>	964,719	927,040	866,953	813,161
Intangible Assets	<b>0</b>	1,517	3,035	4,553	6,071
Long Term Prepayments	<b>3,600</b>	37,120	1,092	3,665	43,116
Investments - Adswitch	<b>71,692</b>	107,537	143,383	179,228	-
Inventories	<b>3,505,656</b>	2,954,063	2,718,392	2,400,683	1,782,972
Trade and other Receivables	<b>2,137,462</b>	1,565,010	1,160,583	1,222,441	744,764
Prepayments	<b>44,838</b>	53,616	12,354	15,310	70,286
Cash and Cash Equivalents	<b>235,961</b>	113,205	120,592	108,618	167,620
<b>Total Assets</b>	<b>7,212,949</b>	5,796,787	5,086,471	4,801,452	3,627,990
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Paid up Share Capital	<b>1,761,322</b>	1,761,322	1,761,322	880,661	880,661
Retained Earnings	<b>2,118,761</b>	1,471,478	1,005,838	1,333,672	924,976
	<b>3,880,083</b>	3,232,800	2,767,160	2,214,333	1,805,637
<b>Liabilities</b>					
Long Term Borrowings	<b>392,784</b>	-	-	81,844	327,613
Deferred Tax Liabilities	<b>272,661</b>	231,837	210,185	196,766	180,903
Short Term Borrowings	<b>1,214,375</b>	1,303,228	1,053,511	1,463,102	776,921
Trade and other Payables	<b>959,698</b>	648,972	685,648	555,468	264,065
Current Tax payable	<b>493,346</b>	379,952	369,969	289,941	272,850
	<b>3,332,864</b>	2,563,989	2,319,312	2,587,121	1,822,352
<b>Total Equity and Liabilities</b>	<b>7,212,949</b>	5,796,787	5,086,471	4,801,454	3,627,989
<b>Revenue</b>	<b>12,167,838</b>	9,225,071	7,852,391	6,745,521	5,025,500
Profit before Taxation	<b>1,629,439</b>	1,193,668	1,161,802	907,431	585,505
Taxation	<b>(554,042)</b>	(401,535)	(371,335)	(305,804)	(192,450)
Profit after Taxation	<b>1,075,397</b>	792,132	790,467	601,627	393,055
Dividend	<b>-</b>	(422,717)	(352,264)	(264,198)	(220,166)
	<b>1,075,397</b>	792,132	438,202	337,429	172,889
Earnings per Share-Basic (Kobo)	<b>30.53</b>	22.49	22.32	34.16	22.32
Dividend per Share (Kobo)	<b>-</b>	12.00	10.00	12.50	12.50
Dividend payout Ratio (%)	<b>.</b>	53.36	44.80	36.59	56.01
Total Assets Per Share (Kobo)	<b>205</b>	166	145	272	206