RNDC ALLIANCE WEST AFRICA LIMITED

FINANCIAL STATEMENTS
31 MARCH 2024

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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RNDC ALLIANCE WEST AFRICA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

In accordance with the provisions of the Companies and Allied Matters Act, 2020 the directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Company at the end of the year and its profit or loss.

The responsibilities include ensuring that:

i. The Company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act, 2020;

ii Appropriate and adequate internal controls are established to safeguard its assets and to prevent and detect fraud and other irregularities;

iii The Company prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied; and

iv It is appropriate for the financial statements to be prepared on a going concern basis.

The Directors accept responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in accordance with the International Financial Reporting Standards in compliance with Financial Reporting Council of Nigeria Act, No. 42, 2023 (as amended) and in the manner required by the Companies and Allied Matters Act, 2020.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit and cash flows for the year in accordance with the International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act No. 42, 2023 (as amended) and in the manner required by the Companies and Allied Matters Act, 2020.

The directors further accept responsibility for the maintenance of adequate accounting records that are required by the Companies and Allied Matters Act, 2020 and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

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

Signed on behalf of the Board of Directors by:

Arun Srinivasan	**Viswanath Pallasena**
Director	**Director**
Dated: 10 May 2024	**Dated: 10 May 2024**

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Independent Auditor's Report

To the Shareholders of RNDC Alliance West Africa Limited

Opinion

We have audited the financial statements of RNDC Alliance West Africa Limited, which comprise the statement of financial position at 31 March 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at 31 March 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) in compliance with the Financial Reporting Council of Nigeria Act, No. 42, 2023 (as amended) and with the requirements of the Companies and Allied Matters Act, 2020.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and Statement of Directors Responsibility but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matters

We draw attention to the matter stated below:

The financial statement of RNDC Alliance West Africa Limited for year ended 31 March 2023 was audited by a different auditor who expressed an unmodified audit opinion on those financial statements on 24 October, 2023

Responsibilities of the Directors and those charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards in compliance with the Financial Reporting Council of Nigeria Act, No. 42, 2023 (as amended) and the requirements of the Companies and Allied Matters Act, CAP C20, LFN 2004, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identified and assess the risks of material misstatement of the 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;
- Obtained 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 Company's internal control;
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Concluded on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Company to cease to continue as a going concern;
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with 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 provided the 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 brought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of fifth schedule of the Companies and Allied Matters Act, 2020, we confirm that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) The Company have kept proper books of account, so far as it appears from our examination of those books;

iii) The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Benson O. Adejayan, FCA
FRC/2013/ICAN/00000002226
For: **PKF Professional Services**
FRC/2023/COY/141906
Chartered Accountants
Lagos, Nigeria

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
ICAN
0889457

Dated: 10 May 2024

RNDC ALLIANCE WEST AFRICA LIMITED

STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2024

	Notes	2024 N'000	2023 N'000
Assets			
Non-current assets			
Property, plant and equipment	8.	**47,620**	26,642
Right of use assets	9.	**9,325**	20,791
Deferred tax assets	18.3	**-**	30,431
		56,945	77,864
Current assets			
Inventories	10.	**251,572**	472,132
Trade and other receivables	11.	**679,086**	399,357
Other current assets	12.	**230,663**	107,539
Due from related parties	14.1	**15,612**	521,552
Cash and cash equivalents	13.	**1,074,373**	706,509
		2,251,306	2,207,089
Liabilities			
Current liabilities			
Trade and other payables	15	**315,016**	151,245
Current tax liabilities	18.2	**186,749**	112,180
Due to related parties	14.2	**1,411,162**	1,812,106
		1,912,926	2,075,531
Net current liabilities		**338,380**	131,558
Non-current liabilities			
Long term employee benefits	16.1	**127,329**	94,369
Lease Obligation	17	**-**	16,747
Deferred tax liabilities	18.3	**29,811**	-
		157,140	111,116
Net liabilities		**238,185**	98,307
Equity and reserves			
Ordinary shares	20	**10,000**	10,000
Actuarial reserve	21	**14,031**	40,850
Accumulated losses	22	**214,154**	47,457
Total equity		**238,185**	98,307

The financial statements were approved by the Board of Directors on **10 May 2024** and signed on its behalf by:

E. Vasu

Arun Srinivasan	**Viswanath Pallasena**	**Chandrasekhar Emani**
Director	**Director**	**Finance Controller**

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these financial statements.

RNDC ALLIANCE WEST AFRICA LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 N'000	2023 N'000
Revenue	23	**3,248,122**	5,180,175
Direct cost	24	**(1,427,037)**	(3,979,788)
Gross profit		**1,821,086**	1,200,387
Other income	25	**597,092**	1,709,343
Administrative expenses	27	**(1,454,845)**	(1,123,347)
Distribution expenses	28	**(89,660)**	(113,014)
Interest expenses on lease	29	**-**	(10,066)
Operating Profit		**873,672**	1,663,301
Foreign exchange loss	26	**(565,459)**	(1,262,134)
Profit before tax		**308,213**	401,167
Income tax expense	18.1	**(141,517)**	(78,956)
Profit after taxation		**166,697**	322,211
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement loss on defined benefit plan	16	**(26,819)**	(17,743)
Total comprehensive Profit		**139,878**	304,468
Basic earning per ordinary share (kobo)	19	**14**	30

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these financial statements.

RNDC ALLIANCE WEST AFRICA LIMITED

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

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	Issued share capital N'000	Accumulated losses N'000	Actuarial reserves N'000	Total equity N'000
At 1 April 2022	10,000	(257,011)	40,850	(206,161)
Profit for the year	-	322,211	-	322,211
Other comprehensive loss/income:				
Remeasurement gain on defined benefit plan	-	-	(17,743)	(17,743)
Total comprehensive profit for the year	-	322,211	(17,743)	304,468
At 31 March 2023	10,000	65,200	23,107	98,307
At 1 April 2023	**10,000**	**65,200**	**23,107**	**98,307**
Profit for the year	**-**	**166,697**	**-**	**166,697**
Other comprehensive loss/income:				
Items that will not be reclassified subsequently to profit or loss:	**-**	**-**	**-**	**-**
Remeasurement loss on defined benefit plan	**-**	**-**	**(26,819)**	**(26,819)**
Total comprehensive profit for the year	**-**	**166,697**	**(26,819)**	**139,878**
At 31 March 2024	**10,000**	**231,897**	**(3,712)**	**238,185**

The accompanying explanatory notes and significant accounting policies form an integral part of these financial statements.

RNDC ALLIANCE WEST AFRICA LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 N'000	2023 N'000
Cash flows from operating activities			
Profit for the year		**166,697**	322,211
Adjustments:			
Depreciation: Property, plant and equipment	8.	**24,929**	16,733
Amortisation right of use assets	9.	**11,340**	11,340
Adjustment to right of use assets		**126**	-
Reameasurement loss	16	**(26,819)**	-
Remeasurement benefit paid	16	**24,210**	13,664
Impairment allowance	11.2	**5,467**	-
Profit or loss on assets disposed	24	**-**	758
Income tax expenses	18.1	**141,517**	78,956
		180,769	443,662
Changes in:			
Decrease/(increase) in Inventories	10.	**220,560**	(339,811)
Increase in Receivables	11.	**(285,196)**	(293,242)
Increase in other assets	12.	**(123,124)**	(286,531)
Decrease/(increase) in due from related parties	14.1	**505,940**	(258,192)
Increase in trade and other payables	15	**163,770**	38,263
(Decrease)/increase in due to related parties	14.2	**(400,944)**	1,025,030
Cash from/(used in) operating activities		**81,006**	(114,483)
Income tax paid	18.2	**(6,706)**	(2,828)
Net cash from operating activities		**421,767**	648,564
Cash flows from investing activities:			
Purchase of property, plant and equipment	8	**(45,907)**	(18,587)
Net cash used in investing activities		**(45,907)**	(18,588)
Cash flows from financing activities:			
Repayment of principal portion of lease		**-**	(1,419)
Long term employee obligation		**32,960**	21,402
Benefits paid		**(24,210)**	(13,664)
Repayment/addition to lease liability	17.2	**(16,747)**	10,066
Net cash (used in)/from financing activities		**(7,997)**	16,385
Net increase in cash and cash equivalents		**367,864**	646,361
Cash and cash equivalents 1 April		**706,509**	60,148
Cash and cash equivalents at 31 March	13	**1,074,373**	706,509

The accompanying explanatory notes and statement of significant accounting policies form an integral part of these financial statements.

RNDC ALLIANCE WEST AFRICA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. The Company
1.1 Legal form
RNDC Alliance West Africa Limited was incorporated in Nigeria in November 2015 as a private limited liability company. Redington Gulf Fze, Dubai holds 99% of its 10,000,000 paid-up shares while 1% is held by Cadenzworth Gulf Fze. Redington Gulf Fze, Dubai is the parent company of RNDC Alliance West Africa Limited, while the ultimate controlling party is Redington India Limited.

1.2 Principal activities
The Company was registered to engage in the business of sales and services of computer systems and mobile telephones. It commenced commercial operations in February 2016.

2. Basis of preparation
2.1 Statement of compliance with IFRSs
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), and in compliance with Financial Reporting Council of Nigeria Act No 6 2011. Additional information required by national regulations has been included where appropriate.

The financial statements comprise of the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements.

2.2 Going concern status
The financial statement have been prepared on a going concern basis, which assumes that the entity will be able to meets it financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the forseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

3. Basis of measurement
The financial statements have been prepared in accordance with the going concern principle under the historical cost convention, except for financial assets (liabilities) which were measured at fair value. The liability for defined benefit obligations is recognized as the present value of the defined benefit obligation less the total of the plan assets, plus unrecognized actuarial gains, less unrecognized past service cost and unrecognized actuarial losses while the plan assets for defined benefit obligations are measured at fair value.

The financial statements are presented in the Nigerian Naira (NGN), which is the Company’s functional currency for presentation.

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 year the assumptions changed. Management believes that the underlying assumptions are appropriate and therefore the company’s financial statements present the financial position and results fairly.

3.1 Functional and presentational currency
These financial statements are presented in Naira, which is the company’s functional currency. The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency).

3.2 Use of 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 therefore the Company's financial statements present the financial position and results fairly.

3.3 Critical accounting estimates and judgment
The company makes estimate and assumption about the future that affects the reported amounts of assets and liabilities. Estimates and judgment are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumption.

The estimates and assumptions that have a significant risks of causing material adjustment to the carrying amount of asset and liabilities in the next financial statements are discussed below:

a) 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 and may vary depending on a number of factors. In re-assessing 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 assets and projected disposal values.

b) Taxes
i) Uncertainties exist with respect to the amount and timing of future taxable income. Given the complexities of existing contractual agreement, differences arising between the actual results and the assumptions made could necessitate future adjustment to tax income and expenses already recorded. The Company establishes provisions based on reasonable estimates.

ii) Deferred taxes are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

c) Provisions/Contingencies
Provisions are liabilities of uncertain timing and are recognised when the entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount that has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

d) Impairment of financial assets
The company assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease.

For intangible assets that have an indefinite life, the recoverable amount is estimated annually and at the end of each reporting period if there is an indication of impairment.

e) Non-current assets held for sale

On retirement of items of property, plant and equipment (usually operational motor vehicles) from operations, they are fair-valued and reclassified to a non-current-assets-held-for-sale account at the lower of their NBVs and fair-value less cost to sell with any differences arising thereon taken to profit or loss. Since there are no active markets dealing in second-hand vehicles, the Company exercises judgment in placing realistic values to the assets classified as held-for-sale by reference to the circumstances of previous disposals taking cognizance of physical conditions, vehicle brands, age, economic realities etc.

These valuations are usually carried out by an assets disposal committee comprising the Logistics Manager and Finance Manager. The gross value of these assets are usually material and future results could be affected where actual proceeds differ materially from the valuations.

f) Allowance for trade receivables

Trade receivables are stated at fair value and subsequently measure at fair value through profit or loss, less provision for impairment. Impairment thereon are computed using the simplified IFRS 9 Expected Credit Loss Model, where the receivables are aged and probability of default applied on each aged bracket. Trade receivables meet the definition of financial assets and the carrying amount of the trade receivables approximates their fair value. The impact of IFRS 9 as a result of first time adoption has been adjusted in the financial statement.

4. IFRS 17 Insurance contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 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 uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

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

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments 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 Company's financial statements.

Amendments to IAS 1 Presentation of Financial Statements — Classification of Liabilities as Current or Non- current
The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

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

Amendments to IFRS 3 Business Combinations — Reference to the Conceptual Framework
The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

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

Amendments to IAS 16 - Property, Plant and Equipment — Proceeds before Intended Use
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.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physi?al performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items statement of comprehensive income include(s) such proceeds and cost.
The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

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

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets — Onerous Contracts — Cost of Fulfilling a Contract
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

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

Amendments to IAS 37 - Onerous Contracts - Cost of Fulfilling a Contract
The amendments specify that the cost of fulfilling a contract comprises the costs that relates directly to the contract. Cost that relates directly to a contract consists of both the incremental cost of fulfilling that contract. Examples would be direct labour or materials and allocation of other costs that relates directly to fulfilling the contract (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendment's. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other components of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

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

Annual Improvements to IFRS Standards 2018 - 2020 — Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

The Annual Improvements include amendments to four Standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.
As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with earlier application permitted.

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

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements — Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four- step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

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

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors — Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty.

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error;
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

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

Amendments to IAS 12 Income Taxes — Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities;
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset.

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

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

5. Summary of significant accounting policies
The significant accounting policies set out below have been applied consistently to all years presented in these financial statements.

5.1 Property, plant and equipment
All property, plant and equipment are stated at cost less accumulated depreciation less accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs 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 are charged to the income statement during the financial period in which they are incurred.

5.1.1 Depreciation of property, plant and equipment
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. 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 on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Class of assets	Useful life (Years)
Furniture and fittings	5
Motor vehicles	3
Computer equipment	3
Networking and warehouse equipment	3

The assets' residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement as operating income.

5.2 Intangible assets

Intangible assets comprise computer software purchased from third parties. They are initially measured at cost and subsequent carried at amortised cost less accumulated amortisation. Purchased computer software is capitalised on the basis of costs incurred to acquire and bring into use the specific software. These costs are amortised at 331/3% on a yearly basis over the useful life of the asset.

Expenditure that enhances and extends the benefits of computer software beyond their original specifications and lives, is recognized as a capital improvement cost and is added to the original cost of the software. All other expenditure is expensed as incurred.

Amortisation is recognized in the income statement on a percentage basis over the estimated useful life of the software, from the date that it is available for use. The residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An intangible asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The estimated useful lives for the current and comparative period are as follows:

Computer software	331/3%	3 years

5.3 Leases

Contracts are assessed at inception to ascertain whether it is, or contains, a lease. That is, if the contract

conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A single recognition and measurement approach is adopted for all leases , except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

Right-of-use assets is recognized at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Assets	Lease period
Office buildings	- 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Company does not have any leased assets categorised as low-value assets (i.e. of a value of N2 million). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

5.4 Inventories

Inventories are measured at the lower of cost and net realisable value on Weighted Average Cost basis after making adequate provision for obsolete and damaged stocks. Cost comprises suppliers' invoice price and where appropriate, freight and other charges incurred to bring the materials to their location and condition. Goods in transit are valued at the invoice price.

5.5 Financial instruments

Financial instruments carried at state of financial position date include the loans and receivables, cash and cash equivalents and borrowings. 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:

5.5.1 Financial assets

The Company classifies its financial assets into the following categories: Financial assets at fair value through profit or loss, at fair value through OCI or at amortised cost. The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

a) Financial assets at fair value through profit or loss

A financial asset is classified into the 'financial assets at fair value through profit or loss' category at inception if acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management. Derivatives are also classified as held for trading unless they are designated as hedges.

b) Financial assets at fair value through other comprehensive income
Financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

c) Financial assets carried at amortised cost
The Company assesses at each end of the reporting period whether there is objective evidence that a financial asset or company of financial assets is impaired. A financial asset or company of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the group about the following events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract, such as a default or delinquency in payments;
- It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation

The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

5.5.1.1 Impairment of financial assets
5.5.1.2 Overview of the ECL principles
The Company assesses on a forward looking basis the expected credit losses (ECL) associated with its trade receivables, equity instrument and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Equity instruments are not subject to impairment under IFRS 9.

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

5.5.1.3 Credit-impaired financial assets

The Company considers a financial asset in default when contractual payments are 360 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt instruments carried at FVOCI are credit-impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following:

- there is significant financial difficulty of a customer (potential bad debt indicator);
- there is a breach of contract, such as a default or delinquency in interest or principal payments;
- the Company, for economic or legal reasons relating to the Customer’s financial difficulty, granting to the Customer a concession that the Company would not otherwise consider.
- it becomes probable that a counterparty/Customer may enter bankruptcy or other financial reorganisation;
- there is the disappearance of an active market for a financial asset because of financial difficulties; or
- observable data indicates that there is a measurable decrease in the estimated future cash flows from a Company of financial assets.
- the financial asset is 360 days and above past due.

A trade receivable debt that has been renegotiated due to a deterioration in the Customer's financial condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a trade receivable that is overdue for 90 days or more is considered impaired.

5.5.1.4 Presentation of allowance for ECL

Trade receivable allowances for ECL are presented in the consolidated statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: the loss allowance is recognised as a provision, and
- debt instruments measured at FVOCI: no loss allowance is recognised in the consolidated statement of financial position because the carrying amount of these assets is their fair value. However, the loss

5.5.1.5 Write-off

The Company writes off financial assets, in whole or part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity and where the Company’s recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

5.5.2 Financial liabilities

5.5.2.1 Initial recognition and measurements

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

5.6 Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term. Cash and cash equivalents form part of the company's financial assets.

5.7 Trade and other receivables

Trade receivables are stated at fair value and subsequently measured at fair value through profit or loss, less provision for impairment. Impairment thereon are computed using the simplified IFRS 9 Expected Credit Loss (ECL) Model, where the receivables are aged and probability of default applied on each aged bracket. Trade receivables meet the definition of financial assets and the carrying amount of the trade receivables approximates their fair value.

Allowance for doubtful accounts is based on a periodic review of all outstanding amounts, where significant doubt about collectability exists, including an analysis of historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customers payment terms. Bad debts are written off when identified as uncollectible, and are included within other operating expenses.

5.8 Trade and other payables

Trade and other payables are stated at their original invoiced value. The Directors consider the carrying amount of other payables to approximate their fair value.

5.9 Revenue

Revenue represents income arising from the ordinary activities of the company. Revenue is the net value of goods delivered and services rendered to customers during the year. Revenue is recognised when the risks and rewards of ownership of the goods are transferred to customers which usually is on delivery of goods, when services are rendered to the customers, the amount of revenue and its associated costs can reliably be measured, and collectability of economic benefits is highly probable.

5.9.1 Investment income

Investment income comprises of dividend, interest, movement in amortized cost on debt securities and other loan and receivables, realized gains and losses, and unrealized gains and losses on fair value assets. Dividends on ordinary shares are appropriated from retained earnings in the period they are approved by the Company’s Shareholders.

Dividends proposed by the Directors’ but not yet approved by Shareholders are only disclosed in the financial statements.

5.10 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.

5.10.1 Interest income
For all financial instruments measured at amortised cost and interest bearing financial assets classified as available for sale, interest income or expense 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 of 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.

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

5.10.3 Realised gains and losses
The realized gains or losses on the disposal of an investment is the difference between proceeds received net of transaction costs and its original or amortised costs as appropriate.

5.11 Cost of sales
Cost of sales comprise costs of inventories sold and costs directly incurred in the rendering of services to earn revenue.

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

5.12.1 Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the company operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

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

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

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

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

5.12.3 Value added tax
Non-recoverable VAT paid in respect of an item of non capital nature is written off to Statement of Comprehensive Income. Non-recoverable VAT paid in respect of property, plant and equipment is capitalized as part of the cost of the assets. The net amount owing to or due from the tax authority is included in payables or receivables.

5.12.4 Withholding tax
The withholding tax credit is set off against income tax payable. Tax credits, which are considered irrecoverable, are written off as part of the tax charge for the year.

5.12.5 Capital gains tax
Capital gains tax is included in the tax expense for the period to which it relates.

5.13 Employee benefits
5.13.1 Defined contribution plan
A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value. In relation to the defined contribution plan, the Company has in place the Pension fund scheme.

Pension fund scheme
In accordance with the revised 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 10% and 8% respectively of the 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.

5.13.2 Defined benefit plan
A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company's net obligation in respect of defined benefit plan is measured using the projected unit credit method which is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods; that benefit is discounted to determine its present value. Any recognized past service costs and fair value of any plan assets are deducted. The discount rate is the market yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the company's obligation and that are denominated in the currency in which the benefit are expected to be paid. Current service costs and interest costs are recognised under administrative expenses in the income statement. Actuarial gains or losses are recognised in the statement of other comprehensive income.

5.13.3 Short-term employee benefits
These are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

5.14 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.

5.15 Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

5.16 Foreign currencies transactions
Functional and presentation currency
Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Naira, which is the company’s presentation currency.

Transactions and balances
Foreign currency transactions that are transactions denominated, or that require settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

5.17 Impairment of non-financial assets
The Company assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as a revaluation decrease.

5.18 Dividend distributions
Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividend are declared.

Unclaimed dividends are amounts payable to shareholders in respect of dividend previously declared by the Company, which have remained unclaimed by the shareholders. In compliance with Section 432 (2) of the Companies and Allied Matters Act 2020, unclaimed dividends after twelve years are transferred to retained earnings.

5.19 Earnings per share
The Company presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Company by the 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 shareholders adjusted for the bonus shares issued.

5.20 Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects and costs directly attributable to the issue of the instruments.

Critical judgment in applying the Company's accounting policies
The Company makes estimates and assumptions about the future that affects the reported amounts of assets and liabilities. Estimates and judgment are continually evaluated and based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive income in the period of the change if the change affects that period only or in the period of change and future periods, if the change affects both the period of change and future periods. Estimates and assumptions that have significant risks of causing material adjustment to the carrying amount of assets and liabilities within the next financial years are stated below:

a. Impairment of financial assets
b. Estimated useful lives of assets
c. Allowances for doubtful accounts
d. Provision for obsolete stock

Financial risk management
The company's operations expose it to a number of financial risks. Adequate risk management procedures have been established to protect the company against the potential adverse effects of these financial risks. There has been no significant change in these financial risks since the prior year.

6.1 Credit risk
Concentrations of credit risk with respect to customers are limited due to the company's aggressive policy on monitoring of receivables. New customers are assessed for credit worthiness and where appropriate the company ensures that transactions with such customers is on a cash basis to avoid risk of default.

6.1.1 Exposure to risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting year was as follows:

	Note	Book value N'000	Contractual cash flow N'000	One year or less N'000	1-5 years N'000	More than 5 years N'000
31 March 2024						
Financial assets						
Trade receivables	11.	**679,086**	**679,086**	**679,086**	-	-
Other current assets	12.	**230,663**	**230,663**	**230,663**	-	-
Due from related parties	14.1	**15,612**	**15,612**	**15,612**	-	-
Cash and cash equivalents	13.	**1,074,373**	**1,074,373**	**1,074,373**	-	-
		1,999,733	**1,999,733**	**1,999,733**	**-**	**-**
31 March 2023						
Financial assets						
Trade receivables	11.	399,357	399,357	399,357	-	-
Other current assets	12.	107,539	107,539	107,539	-	-
Due from related parties	14.1	521,552	521,552	521,552	-	-
Cash and cash equivalents	13.	706,509	706,509	706,509	-	-
		1,734,956	1,734,956	1,734,956	-	-

The debtors' age analysis is also evaluated on a regular basis for potential doubtful debts, where this is considered necessary. The company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

6.1.2 Liquidity risks

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments. The Company employs policies and procedures to mitigate it’s exposure to liquidity risk.

	Note	Book value N'000	Contractual cash flow N'000	One year or less N'000	1-5 years N'000	More than 5 years N'000
31 March 2024						
Financial assets						
Due to related parties	14.2	**1,411,162**	**1,411,162**	**1,411,162**	-	-
Trade and other payables	15	**315,016**	**315,016**	**315,016**	-	-
		1,726,178	**1,726,178**	**1,726,178**	**-**	**-**
31 March 2023						
Financial assets						
Due to related parties	14.2	1,812,106	1,812,106	1,812,106	-	-
Trade and other payables	15	151,245	151,245	151,245	-	-
		1,963,351	1,963,351	1,963,351	-	-

6.1.3 Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

6.1.4 Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company’s transactions are carried out in naira and foreign currencies. Hence, it is exposed to foreign exchange risk. The Company however accounts for some balances denominated in foreign currency but presented in the naira and is therefore exposed to currency risks as follows:

	2024 N'000	2023 N'000
Trade and other receivables	**679,086**	399,357
Cash and cash equivalents	**1,074,373**	706,509
Due from related parties	**15,612**	521,552
Due to related parties	**1,411,162**	1,812,106
Net balance	**3,180,233**	3,439,524

6.2 Financial instruments and fair values

As explained in Note 5.5, financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognized in the statement of profit or loss or in the statement of other comprehensive income (OCI). These categories are: fair valued through profit or loss; loans and receivables; available for sale assets; and, for liabilities, loans and payables or fair value through profit or loss.

The fair value of financial assets together with the carrying amounts shown in the statement of financial position are as follows:

		Financial assets		Financial liabilities		
Company	**Notes**	**Fair value through profit or loss**	**Receivables**	**Amortised cost**	**Fair value**	**Total carrying amount**
		N'000	**N'000**	**N'000**	**N'000**	**N'000**
At 31 March 2024						
Assets						
Trade and other receivables	11.	**-**	**679,086**	**-**	**-**	**679,086**
Cash and cash equivalents	13.	**1,074,373**	**-**	**-**	**-**	**1,074,373**
		1,074,373	**679,086**	**-**	**-**	**1,753,459**
Liabilities						
Trade and other payables	15	**-**	**-**	**-**	**315,016**	**315,016**
		-	**-**	**-**	**315,016**	**315,016**
At 31 March 2023						
Assets						
Trade and other receivables	11.	-	399,357	-	-	399,357
Cash and cash equivalents	13.	706,509	-	-	-	706,509
		706,509	399,357	-		1,105,864
Liabilities						
Trade and other payables	15	-	-	-	151,245	151,245
		-	-	-	151,245	151,245

6.3 Fair valuation methods and assumptions

Cash and cash equivalents, trade and other receivables, and trade and other payables are assumed to approximate their carrying amounts due to the short-term nature of these financial instruments.

The fair value of publicly traded financial instruments is generally based on quoted market prices, with unrealised gains/losses presented in a separate component of equity (other comprehensive income) at the end of the reporting year.

6.4 Fair value measurements recognised in the statement of financial position

Financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

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

Level 2: for equity securities not listed on an active market and for which observable market data exist that the company can use in order to estimate the fair value;

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

All financial instruments presented in the accounts fall under the level 3 category of fair value measurement as they are not based on observable market data.

7. Capital management

In the management of its capital, the company has certain objectives which it intends to achieve, these include:
The safeguarding of the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and the provision of an adequate return to shareholders by pricing products and services commensurately with the level of risk.

Consistently with others in the industry, the company monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt ÷ capital.

Net debt is calculated as total liabilities (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity i.e. ordinary shares, retained earnings and other reserves.

The debt-to-capital ratios at 31 March 2024 and at 31 March 2023 were as follows:

	2024 N'000	2023 **N'000**
Total liabilities	**2,070,067**	2,186,647
Less: cash and cash equivalents	**(1,074,373)**	(706,509)
Net debt	**995,693**	1,480,138
Total equity	**238,185**	98,307
Debt-to-capital ratio	**4.18**	15.06

The Company's debt-equity capital ratio reduce from 15.06 to 3.04. This reduction resulted primarily from a decreased in current liability and also reduction in net debt. It is however important to note that a substantial part of the company's debt is due to related parties.

8. Property, plant and equipment

	Furniture & Fittings N'000	**Office equipment N'000**	**Motor Vehicle N'000**	**Warehouse & networking equipment N'000**	**Computer equipment N'000**	**Total N'000**
Cost						
At 1 April 2022	50,560	43,485	45,488	25,435	53,151	218,119
Additions during the year	-	7,547	7,500	-	3,540	18,587
At 1 April 2023	50,560	51,032	52,988	25,435	56,691	236,707
Additions during the year	-	8,605	31,240	-	6,063	45,907
At 31 March 2024	**50,560**	**59,637**	**84,228**	**25,435**	**62,754**	**282,614**
Accumulated depreciation and impairment						
At 1 April 2022	50,101	37,379	38,073	21,666	46,113	193,332
Charge for the year	154	2,967	5,735	3,427	4,450	16,733
At 1 April 2023	50,255	40,346	43,808	25,093	50,563	210,065
Charge for the year	154	11,135	9,000	342	4,297	24,929
At 31 March 2024	**50,409**	**51,481**	**52,808**	**25,435**	**54,860**	**234,994**
Carrying amount						
At 31 March 2024	**151**	**8,156**	**31,419**	**-**	**7,893**	**47,620**
At 31 March 2023	305	10,686	9,180	342	6,128	26,642

Depreciation charged is included in administrative expenses in the statement of profit or loss and other comprehensive income. There were no impairment charge during the year.
No property, plant and equipment is held as collateral for loan.
No impairment loss was recognised in the year

	2024
	N'000
9. Right of use asset	
Cost	
At 1 April 2022	32,131
Additions in the year	-
Amortization	(11,340)
At 31 March 2023	20,791
Amortization	
At 1 April 2023	20,791
Adjustment	(126)
Charge for the year	(11,340)
At 31 March 2024	9,325

Right of use assets represent several lease assets involving office premises. The average of the lease term is 2 years

	2024	2023
	N'000	N'000
10. Inventories		
Service Inventory	**58,163**	42,421
WIP - Warranty and Post warranty	**53,258**	9,491
Stock in Transit	**19,205**	-
Distribution Inventory	**356,877**	424,127
	487,503	476,039
10.1 Allowance for obsolete inventory		
Balance at the beginning of the year	**3,907**	-
Allowance for the year (Note 10)	**232,024**	3,907
Balance at the end of the year	**235,931**	3,907
	251,572	472,132

Inventories to the value of N251.5million (2023 : N472 million million) were carried at net realisable value. Amount recognised as expense in respect of write-down of inventories to net realisable value during the year was N728,000 (2023;N6.8 million). No inventory has been pledged as security for any obligation.

11. Trade receivables		
Trade receivables	**686,103**	387,384
Other receivables (Note 11.1)	**3,001**	16,524
	689,104	**403,908**
Less: Impairment allowance (Note 11.2)	**(10,019)**	(4,552)
	679,086	399,357

Trade receivables are stated at fair value and subsequently measured at fair value through profit or loss, less provision for impairment. Impairment are computed using the IFRS 9 simplified approach in measuring expected credit losses (ECL), using the lifetime expected credit loss allowance for all trade receivables. The provision matrix is applied, where the receivables are aged and probability of default applied on each aged bracket. Trade receivables meet the definition of financial assets and the carrying amount of the trade receivables approximates their fair value.

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	2024 N'000	2023 N'000
11.1 Other receivables		
Staff advances	**3,001**	16,524
11.2 Impairment allowance		
At 1 April	**4,552**	-
Additional charge during the year	**5,467**	4,552
As at 31 March	**10,019**	4,552
12. Other current assets		
Prepaid rent	**60,800**	59,612
Prepaid insurance	**4,042**	2,395
Prepaid expenses others	**16,852**	10,221
Travel expense	**18,761**	6,635
Vat receivable	**8,766**	13,416
Debit balance in trade payable	**410**	-
Advance tax paid (Note 12.1)	**120,192**	14,761
Deposits and advances	**842**	500
	230,663	107,539

12.1. This amount represents tax paid in advance to the tax authority

13. Cash and cash equivalents

Cash and cash equivalent consist of cash on hand and balances with banks.

	2024 N'000	2023 N'000
Cash in hand	**107**	-
Bank balances	**1,074,266**	706,509
	1,074,373	**706,509**
14. Related party transactions		
14.1 Due from related party		
Ensure Gulf FZE	**8,120**	521,287
Redington Limited	**7,492**	265
	15,612	521,552
14.2 Due to related parties		
Redington Gulf FZE	**770,042**	1,733,990
Cadensworth FZE	**516,153**	64,269
Redington Ghana Limited	**10,020**	5,290
Redington Middle East LLC	**43,041**	8,557
Ensure Gulf FZE	**71,906**	-
	1,411,162	1,812,106

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			2024	2023
			N'000	N'000

14.3 The aggregate value of transactions during the year relating to those entities are as follows:

Related parties	**Nature of transactions**	**Relationship**	**2024 N'000**	2023 N'000
Redington Gulf FZE	Trading activities	Fellow subsidiary	**(770,042)**	(1,042,605)
Redington Limited	Trading activities	Fellow subsidiary	**-**	1,386
Ensure Gulf FZE	Trading activities	Fellow subsidiary	**(63,786)**	-
Cadensworth FZE.	Trading activities	Fellow subsidiary	**516,153**	(1,103)
			(317,675)	(1,042,322)

All transactions with related parties represent trading activities which particularly include the transfer of inventory items. Amounts due to or from related parties are unsecured, and have no fixed term of repayment. No guarantees have been given or received. No expense has been recognised during the year in respect of bad or doubtful debts due from related parties.

15. Trade and other payables

	2024 N'000	2023 N'000
Trade payables	**21,101**	6,143
Other payables (Note 15.1)	**293,914**	145,102
	315,016	151,245

Trade and other payables are stated at their original invoiced value. The Directors consider the carrying amount of other payables to approximate their fair value.

15.1 Provisions and accruals

	2024 N'000	2023 N'000
Non trade creditors	**17,728**	16,163
Provisions and accruals	**97,734**	70,397
Vat payable	**23,476**	21,476
Withholding tax payable	**21,851**	7,085
Credit balance in trade receivable	**20,762**	-
Statutory payables	**5,755**	-
Intransit Insurance	**8,624**	7,193
Other payables (Note 15.2)	**97,984**	22,788
	293,914	145,102

15.2 Other payables represents amounts for provision others, social security fund, provision for bonus, provision for NSITF payable etc

16. Provision for employees'end-of-service indemnity

The company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Projected Unit Credit method, and the amendments in the IAS 19 revised have been used for the computaution

The most recent Actuarial valuation of the value of the defined beneft obligation was carried out on the 31st march 2024 by:

Name : BESTWOLE DEVELOPMENTS LTD
Wole Ogunkoya (FRC/2023/NAS/00000000986)

The Company's obligation towards gratuity is a defined benefit plan and the details of actuarial valuation at the reporting date are as follow

	2024 N'000	2023 N'000
16.1. Long term employee benefits		
The movement in the present values of the long term employee benefit was as follows:		
Gratuity liability at 1 April	**94,369**	68,888
Current service cost	**16,001**	12,591
Actuarial losses due to chage in assumptions	**26,819**	17,743
Net interest cost	**14,350**	8,811
Payment in the year	**(24,210)**	(13,664)
At 31 March	**127,329**	94,369

17. Lease obligations

Finance lease obligation	**-**	16,747

17.1 Analysis of current and non-current portions

Non-current	**-**	16,747
Current	**-**	-
	-	16,747

17.2 Movement analysis

At 1 April	**16,747**	8,100
Amortisation of interest expense	**-**	10,066
Repayment	**(16,747)**	(1,419)
At 31 March	**-**	16,747

This represents conventional obligation in respect of the building acquired under Lease arrangement from 1st of February 2020 till 31st of January 2025. Repairs and maintenance cost are to be borne by leasee. However, this has been fully settled at year end

18. Taxation

18.1 Income tax expense

Income tax	**72,890**	98,810
Education tax	**8,369**	9,217
Police levy fund	**15**	20
	81,275	108,047
Deferred tax charged/(write back) in the year	**60,242**	(29,091)
	141,517	78,956

	2024 N'000	2023 N'000
18.2 Current tax liabilities		
At 1 April	**112,180**	6,961
Payment in the year	**(6,706)**	(2,828)
Charged for the period	**81,275**	108,047
At 31 March	**186,749**	112,180

The charge for income tax in these financial statements is based on the provisions of the Companies Income Tax Act, CAP C21 LFN 2004 as amended. The charge for education tax is based on the provisions of the Education Tax Act, CAP E4 LFN 2004.

	2024 N'000	2023 N'000
18.3 Deferred taxation (liabilities)/assets		
At 1 April	**30,431**	1,340
Charged for the period	**(60,242)**	29,091
At 31 March	**(29,811)**	30,431

The company has adopted the International Accounting Standard (IAS 12 - Income Taxes) on deferred taxation which is computed using the liability method.

18.4 Reconciliation of effective tax rate

Corporation tax is calculated at 30% (2023: 30%) of the estimated profit for the year.

The tax expense for the year can be reconciled to the profit for the year as follows:

	2024 N'000	2023 N'000
Profit before income tax	**873,672**	1,663,301
Tax thereon at 30% (2023 : 30%)	**262,102**	498,990
Non deductible expenses	**29,240**	236,434
Accelerated capital allowance	**(291,341)**	(735,424)
Effect of education tax levy	**8,369**	9,217
Effect of minimum tax	**72,890**	98,810
Police levy fund	**15**	20
Deferred tax laibilities/(asset)	**60,242**	(29,091)
Total income tax expense	**141,517**	78,956
Effective tax rate	**16**	5

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	2024 N'000	2023 N'000
19. Earning per share		
Basic earning per share		
Earning per ordinary share (basic have been computed on profit after taxation attributable to ordinary shareholders and divided by the number of issued ordinary shares at end of the financial year. There were no potential ordinary shares at either year end.		
Profit attributable to ordinary shareholders		
Profit after taxation	**139,878**	304,468
Weighted average number of ordinary shares	**10,000**	10,000
Earning per shares EPS	**14**	**30**
20. Ordinary shares		
10,000,000 ordinary shares of N1.00k each	**10,000**	10,000
21. Actuarial reserves		
1 April	**40,850**	23,107
Addition in the year	**(26,819)**	17,743
At 31 March	**14,031**	40,850
22. Accumulated losses		
At 1 April	**47,457**	(257,011)
Transfer from profit/loss	**166,697**	304,468
At 31 March	**214,154**	47,457
23. Revenue		
Service revenue	**1,550,286**	508,129
Distribution revenue	**1,697,836**	4,672,046
	3,248,122	5,180,175
24. Direct cost		
Service costs	**303,743**	167,370
Distribution costs	**1,123,293**	3,812,418
	1,427,037	3,979,788
Gross profit	**1,821,086**	1,200,387
25. Other income		
Backend Income	**253,859**	1,652,296
Price Difference	**15,360**	4,490
Marketing Support	**5,938**	4,983
Provision no longer required on Inventory	**-**	13,646
Provision no longer required on bad debt	**-**	33,577
Allocation of common cost	**318,916**	-
Gain on disposal of assets	**3,019**	350
	597,092	1,709,342

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	2024 N'000	2023 N'000
26. Foreign exchange loss		
Exchange loss	**(565,459)**	(1,262,134)
27. Administrative expenses		
Salaries and wages	**590,854**	519,963
Travelling expenses	**197,313**	162,603
Fuel expense	**45,488**	28,890
Telephone and communication expense	**22,325**	25,856
Repairs and maintenance	**42,711**	45,378
Rent and rates	**103,699**	64,152
Audit fees	**5,000**	9,825
Printing & stationery	**3,236**	3,264
Legal and professional fees	**20,808**	33,672
Licenses and fees	**300**	-
Bank charges	**2,433**	9,359
Utilities	**14,116**	14,982
Inventory written-off	**728**	6,750
Allowance for slow moving goods	**232,024**	-
Depreciation	**36,056**	28,074
Amortisation	**-**	758
Guest house expenses	**63,932**	82,958
Entertainment	**2,132**	6,411
Insurance Expenses	**47,717**	46,561
Allowance for doubtful debts	**5,579**	-
Price rebates	**18,395**	33,892
	1,454,845	1,123,347
28. Distribution expenses		
Sales promotion	**69,959**	100,132
Carriage outwards	**19,701**	12,882
	89,660	113,014
29. Finance income/cost		
Interest on lease	**-**	10,066
30. Profit before taxation		
The profit on ordinary activities before taxation is stated after charging/ crediting:		
Depreciation	**36,056**	28,074
Net exchange loss	**565,459**	1,262,134
Auditors fees	**5,000**	9,825
Staff cost	**590,854**	519,963

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	2024	2023
	Number	Number
31. Information regarding Directors and employees		
31.1 Number of Directors that served during the year	**3**	3
31.2 Chairman	**-**	-
Highest paid director	**-**	-
31.3 Highest paid employee		
Employment of employees other than executive directors, which emoluments fell with the following range per annum were:		
N - **N**		
- - 1,000,000	**3**	13
1,000,001 - 1,750,000	**15**	18
Above - 1,750,001	**37**	47
	55	78
	N'000	N'000
31.4 Staff costs		
Wages, salaries, pension and other benefits	**590,854**	519,963
	Number	Number
31.5 Analysis of the company's average monthly number of employees was:		
Executive	**44**	65
Management	**5**	5
Senior	**6**	8
	55	78

	2024 Number	2023 Number
32. Membership data, actuarial assumptions and sensitivity analysis of long term employee benefits		
32.1 Membership data (staff)		
Valuation year		
Number at 1 April	**78**	66
New entrants	**30**	35
Exits	**(53)**	(23)
Staff number as at 31 March	**55**	78
Average age of staff	**38 years**	38 years
Average years served	**4.88 years**	4.79 years

The Company's Staff Gratuity Benefits Plan provides a defined benefit arrangement for the members on event of death, termination, withdrawal, redundancy or retirement of members.

	2024	2023
32.2 Actuarial assumptions		
32.2.1 Financial assumptions - Long-term average:		
Discount rate	**14.5%**	14.5%
Rate of salary increase	**13%**	12%
Inflation rate	**12%**	12%

32.3 Demographic assumptions
Mortality in service
The rate of mortality used for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK. We have rated this down by one year to more accurately reflect mortality in Nigeria.

Sample Age	Number of deaths in year of age out of 10,000 lives
25	7
30	7
35	9
40	14
45	26

Withdrawal from service
The withdrawal rates assumed in the current valuation are as follows:

Age Band	Rate
18 - 29	0.05
30 - 39	0.05
40 - 49	0.02
50 - 59	0.00

32.3.1 Sensitivity analysis

31 March 2024

A. Effect of 1% Increase or Decrease in Discount Rate

	+1% 14% N'000	**Base Rate 13% N'000**	**-1% 12% N'000**
Defined Benefit Obligation	61,000	68,888	78,195
Change (%)	-11.45%	0.00%	13.51%

B. Effect of 1% Increase or Decrease in Rate of Salary Increase

	+1% 13% N'000	**Base Rate 12% N'000**	**-1% 11% N'000**
Defined Benefit Obligation	78,543	68,888	60,597
Change (%)	14.01%	0.00%	-12.40%

31 March 2023

A. Effect of 1% Increase or Decrease in Discount Rate

	+1% 15.50% N'000	Base Rate 14.50% N'000	-1% 13.50% N'000
Defined Benefit Obligation	36,025	40,781	46,421
Change (%)	-11.70%	0.00%	13.80%

B. Effect of 1% Increase or Decrease in Rate of Salary Increase

	+1% 13% N'000	Base Rate 12% N'000	-1% 11% N'000
Defined Benefit Obligation	46,710	40,781	35,727
Change (%)	14.50%	0.00%	-12.40%

33. Contingent liabilities/capital commitments

The directors are of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of the financial statements. The liabilities are relevant in assessing the Company’s state of affairs.

34. Pending litigation

The contingent liabilities in respect of pending litigation and other liabilities were estimated to be nil as at 31 March 2024 (2023 : Nil). This was based on the opinion of the Directors and the response received from the company's solicitor.

35. Events after the reporting period

The Directors are of the opinion that no event or transaction has occurred since the reporting date which could have had a material effect on these financial statements on that date or which needs to be adequately provided for or disclosed in the financial statements in the interest of fair presentation of the Company's financial statements as at the reporting date or its results for the year then ended.

36. Comparative figures

Where necessary comparative figures have been reclassified to ensure proper disclosure and uniformity in the current year's presentation. These reclassifications have no impact on these financial statements.

RNDC ALLIANCE WEST AFRICA LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

Other National Disclosures

RNDC ALLIANCE WEST AFRICA LIMITED

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 MARCH 2024

	2024 N		2023 N	
Revenue	**3,248,122**		5,180,175	
Other income	**597,092**		1,709,343	
Less: Purchases and services	**(2,910,091)**		(5,949,624)	
Value added	**935,123**	**100**	939,896	100
Applied as follows:				
To pay employees:				
Salaries, wages and employee benefit plan	**590,854**	**63**	519,963	55
To pay Government:				
Income and education tax	**81,275**	**9**	108,047	11
To pay providers of capital:				
Interest on lease	**-**	**-**	(10,066)	(1)
Retained for maintenance of assets and future expansion of business:				
Depreciation of property plant and equipment & amortisation of intangible assets	**36,056**	**4**	28,832	3
Deferred tax charged/(write back)	**60,242**	**6**	(29,091)	(3)
Profit for the year	**166,697**	**18**	322,211	35
Value added	**935,123**	**100**	939,896	100

Valued added represents the additional wealth which the company has been able to create on its own and the employees efforts. This statement shows the allocation of that wealth among employees, providers of capital, government and that retained for the future creation of more wealth.

RNDC ALLIANCE WEST AFRICA LIMITED

FINANCIAL SUMMARY

31 MARCH	2024	2023	2022	2021	2020
	N'000	N'000	N'000	N'000	N'000
Property, plant and equipment	**47,620**	26,642	36,620	34,942	-
Intangible assets	**9,325**	20,791	-	-	-
Deferred tax assets	**-**	30,431	1,340	1,340	-
Net current liabilities	**338,380**	131,558	(137,876)	(150,725)	(44,398)
Long term liabilities	**(157,140)**	(111,116)	(53,797)	(40,781)	-
Net liabilities	**238,185**	98,307	(153,713)	(155,224)	(44,398)
Statement of financial position					
Ordinary shares	**10,000**	10,000	10,000	10,000	10,000
Other reserves	**14,031**	40,850	40,850	40,850	-
Accumulated losses	**214,154**	47,457	(204,563)	(203,074)	(54,398)
Shareholders funds	**238,185**	98,307	(153,713)	(152,224)	(44,398)
Statement of profit or loss and other comprehensive income					
Revenue	**3,248,122**	5,180,175	208,134	1,014,565	865,889
Profit/(loss) before taxation	**873,672**	1,663,301	4,050	(146,637)	(32,434)
Income tax (expenses)/write back	**(141,517)**	(78,956)	(2,869)	1,340	(3,008)
Profit/(loss) transferred to revenue reserve	**732,155**	1,584,345	1,181	(145,297)	(35,442)
Other comprehensive income	**(26,819)**	(17,743)	-	-	-
Total comprehensive income	**705,336**	1,566,602	1,181	(145,297)	(35,442)
Per share data:					
Earnings/(loss) per share	**71**	(11)	-	(15)	(4)
Net assets/(liabilities) per share	**24**	10	(15)	(16)	(4)

Earnings/(loss) per share are based on the profit/(loss) after taxation and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets/(liabilities) per share are based on the net liabilities and the number of issued and fully paid ordinary shares at the end of each financial year.